

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Floor Debate January 15, 2020

**FOLEY:** I call to order the sixth day of the One Hundred Sixth Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** I have a quorum present, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Are there any corrections for the Journal?

**CLERK:** I have no corrections.

**FOLEY:** Thank you, sir. Are there any messages, reports, or announcements?

**CLERK:** Mr. President, at this time I have neither messages, reports, nor announcements.

**FOLEY:** Thank you, Mr. Clerk. Senator Kolterman would like us to announce that Dr. Patrick Hotovy of York, Nebraska, serving as today's family physician the day. Dr. Hotovy is with us under the north balcony. Doctor, if you could please rise, I'd like to welcome you to the Nebraska Legislature. And thank you for your service. Now proceed to the first item on the agenda. Mr. Clerk.

**CLERK:** Mr. President, Senator Bolz would move to withdraw LB904.

**FOLEY:** Senator Bolz, you're recognized to open on your motion.

**BOLZ:** Bill Drafting error. I'd request the body's support in withdrawing LB904.

**FOLEY:** The motion's been made. It's debatable. Senator Chambers.

**CHAMBERS:** Thank you. Mr. President, members of the Legislature, Senator Bolz will get my support to withdraw her bill. When a member asks for something like that, I almost automatically will agree. But this morning, my cooperation comes with a price. We don't have anything of substance to do this morning. There is a person coming here later on. So I want to have some things to say before he arrives. And in order to do that, I will offer appropriate motions that will allow me to speak. And I'm going to do that. And I will not tell you in advance what it is I'm going to say. And by the way, I will not take offense if everybody wants to leave the Chamber, because I will be speaking and I'll be speaking to people who are not here. Although

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when your body is present, I'm still speaking to people who are not here. Because for the person to be here, the mind must be present and engaged. I have an article I'm going to begin with. It's dated Saturday, July-- January 11 of this year. It's from the Lincoln Journal Star: Mountain Lion Caught on Camera in Gretna. And we're gonna catch a liar also. Sarpy County law enforcement officers were searching Friday for a mountain lion that was photographed early Thursday in Gretna. Now I've spoken in behalf of the lions, pointed out how solitary they are. They don't want to be around people. And I've said there have been false reports of sightings, attacks, and so forth. But what I say is not accepted, but these things are not documented. And to his credit, Game and Parks will acknowledge in such situations as that that there was no verification. But law enforcement got involved this time. But OK, let me start now. I don't have to digress. Sarpy County law enforcement officers were searching Friday for a mountain lion that was photographed early Thursday in Gretna. But they know the odds are against finding it, quote, Basically, we're trying to make sure the public is safe, unquote, said Lieutenant Mike Erhart, E-r-h-a-r-t. Quote, You're not going to see these things until they want to be seen, unquote. That's what I've told you. Now that the cop said it, will you believe it? On this one because I said it-- I'm quoting Jesus-- You wouldn't believe it though one came back from the dead and told you. And he proved it because he came back from the dead and told you things which you don't believe. And that applies to that man who is coming here at 10:00, one of the biggest hypocrites in this state, because he holds the highest political position in this state at the state level. Continuing, The animal was caught on camera. Listen to these facts that make it seem very credible. The animal was caught on camera at about 3:00 a.m. near McKenna Avenue and West Plains Road along the city's west edge. A homeowner saw it wandering around, stepped outside, and snapped the photo with his cell phone, Erhart said. His office is working with the state Game and Parks Commission, which hasn't confirmed the report but is taking it seriously, said Pat Molini, M-o-l-i-n-i--

**FOLEY:** One minute.

**CHAMBERS:** --assistant administrator of the wildlife division. Quote, Right now it's designated as probably, he said. Quote, But human safety is going to be our number one priority at this point, unquote. Mountain lions are generally wary of humans, he said. But anyone who comes in contact with a lion should not approach it and should slowly

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back away. I'll wait until I'm recognized again, Mr. Speaker--  
President, before I continue.

**FOLEY:** Thank you, Senator Chambers. You are next in line. You may  
continue.

**CHAMBERS:** Thank you. If the animal in Gretna is indeed a mountain  
lion, it likely is a younger lion that dispersed from out of the  
state's established populations in northwest Nebraska, he said. It  
could have followed the Platte River or railroad corridors to Sarpy  
County and it wouldn't be the first big cat in the area. In May 2015,  
police shot and killed one in southwest Omaha. In October 2003, a  
mountain lion was captured near a busy intersection in west Omaha.  
Sarpy County officers received more reports of the lion Friday, but  
none were confirmed. More reports, meaning more white citizens saw  
this lion and reported him. That article is dated January 11. This one  
is from Sunday's Lincoln Journal Star the next day, January 12.  
Officials-- this is the headline: Officials: Cougar photo was from  
2017. Cougar photo was from 2017. I tell you these wide eyes lie. They  
speak with forked tongue. Starting the article: Sarpy County law  
enforcement officers were searching Friday for a mountain lion that  
was reportedly seen in Gretna. But it was later discovered that the  
photo given to the Sarpy County Sheriff's Office came from a 2017  
YouTube video. And you heard where I read the liar told the time he  
saw it, the straight-- street and all the rest. It was from a 2017  
YouTube video. The animal was reported in the area at about 3:00 a.m.  
near McKenna Avenue and West Plains Road along the city's west edge. A  
homeowner said they saw the wandering-- saw it wandering around and  
snapped the photo with a cell phone, Lieutenant Mike Erhart said  
Friday. But the Nebraska Game and Parks Commission later found that  
the image given to the sheriff's office was identical to a 2017  
YouTube photo allegedly showing a mountain lion outside a San  
Francisco home. What is false reporting? When you make a false report  
to law enforcement, if I, as a black man made a false report, what do  
you think would happen to me? You know what would happen, and I know  
what would happen. And that's why some of us are concerned about this  
bill of Senator Groene that would let these white teachers snatch up  
our children and not only manhandle them, but take them out of the  
classroom. There is racism throughout this state, and I'm giving you  
things right here from your own kind to show how credible their lies  
sound. That's what I'm dealing with. But you don't want to accept it.  
But I'm putting this on the record. Erhart confirmed Saturday morning  
that the photo they were originally given was not of a mountain lion

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in Gretna. Quote, Once we got the information (originally), we turned it over to the Game and Parks Commission, Erhart said. Since it was supposedly located in town, we just wanted to let the community know to be careful and that there might be one in the area. I'm departing or digressing.

**FOLEY:** One minute.

**CHAMBERS:** Suppose you had little children and you lived in that area or small animals. Would you be concerned for the welfare of your children? Would you be concerned for your small animals? In fact, the suggestion went out from law enforcement that small animals should be taken indoors and large ones should be kept within range and protected. A false report knowingly made and knowing-- known to be false was given to law enforcement and was publicized, and it caused alarm in the community. But the white man is not gonna have anything done to him. I guarantee you that. White people, they lie on us and get away with it. So if they lie on a lion, you know they can get away with that. I will wait until I'm recognized before I finish this, Mr. Chairman. Thank you.

**FOLEY:** Thank you, Senator Chambers. Senator Chambers, you're recognized for your third opportunity.

**CHAMBERS:** Thank you. I'm going to start in the paragraph above so that there is some continuity. And this is a person from the sheriff's office speaking, quote, Once we got the information originally, we turned it over to the Game and Parks Commission, Erhart said. Since it was supposedly located in town, we just wanted to let the community know to be careful and that there might be one in the area, unquote. He said even though the photo turned out to be inaccurate, the sheriff's office was still treating the sighting seriously. Quote, Anytime we get a call like that, we're going to take it seriously and do what we can to keep the public safe, Earhart said. Quote, It's not uncommon anymore for them to be around this area. I'm digressing. You know why it's not uncommon for them to be sighted? Because these people lie about what they see. The sightings are not confirmed, false reports, which they know their sheriff will take seriously. And the sheriff made it clear that they will take it seriously. Continuing, as of Saturday evening, the Game and Parks Commission had not been able to find any evidence of a mountain lion in the area, said Pat Molini, assistant administrator of the wildlife division. Mountain lions are generally wary of humans, he said. But anyone who comes in contact

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with a lion should not approach it and should slowly back away. Sarpy County officers arrive-- receive more reports of the lion Friday, but none were confirmed. So one liar lies. The lie is replicated by others. He got some play for seeing a lion. Then I'm going to get some play by saying I saw him. We're not talking about a lion, l-i-o-n; we're talking about lyin', l-y-i-n-'. Your people told this lie. You know why I say your people and my people? Because I read the Omaha World-Herald and I read the Lincoln Journal Star and I see how many articles they have with the photographs of black people accused of this or accused of that. And it's taken as true. They didn't put the picture of this white liar, maybe because he told what they call a white lie. Where is the county attorney whose name is Polikov? And I respect him and I like him. He is the county attorney for Sarpy County. A false report was made. Alleged documentation was given to bear it out. Law enforcement took it seriously. Time was expended. Money was wasted, resources frittered away on this lie. The only reason you all don't like me saying it is because I'm taking the time and I'm saying it. But it wouldn't make you any difference anyway. You're familiar with the lies that are told. The man who is going to come in here today is gonna be fast and loose with the truth. But I only have an opportunity to speak three times on Senator Bolz's bill. But when the other bills come up, which are going to be before us, I can create enough amendments on those two bills to keep us here until the Twelfth of Never. I won't have to do that.

**FOLEY:** One minute.

**CHAMBERS:** But I will do enough things to demonstrate to you that if I chose to do it, I can do it, not only on those two bills, but on other bills. What will save you is that a point will be reached where you can invoke cloture. So on this bill, let's say Bill A, you shut me off after three hours on General File. Ha ha. We got him. But then that bill's partner comes up right behind it and I get three more hours. Then that one is followed by another. And on three bills I can get nine hours. And if you think I cannot find things to say for nine hours, you do not know me. You do not know anything about me. And I assure you, I will not be reading from the phone book or recipes. But by the time I get through, you would wish that that's what I had been reading from.

**FOLEY:** Time, Senator.

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**CHAMBERS:** Thank you, Mr. President.

**FOLEY:** Thank you, Senator Chambers. Speaker Scheer.

**SCHEER:** Thank you, Mr. President. In regards to Senator Chambers' comments, I don't think there's anyone here that doesn't believe that Senator Chambers can take a bill and make it last as long as possible. So I would-- I would assume that everyone would-- would support Mr. Chambers in the fact that he does have the ability to do what he's saying. And there's no reason for him to be able to have to prove it to anyone. And with having said that and out of congeniality, he may have some more things to say this morning. And so I'd be more than happy to yield him the rest of this time and to finish his thoughts. Thank you.

**FOLEY:** Thank you, Mr. Speaker. Senator Chambers, 4:20.

**CHAMBERS:** Thank you. Thank you, Mr. President. Thank you, Mr. Speaker. If I have said something in the past and you haven't paid attention to it, then it's my job to say it again. When I was a very small boy and very young, I went to church. And what we saw in the preacher more than anything else was the repetitiveness. Every Sunday, the same thing said and said several times that time-- that Sunday. So it let us know that when grown people are talking to grown people, they have to say what they're saying over and over, because grown people either don't understand or they don't pay attention. So knowing that a lot of times you all pay no attention to me, I'm going to say something I've said several times and I will say again. There used to be 48 white people and 1 black person, moi. Now there are two of us. I would point out that if I did not speak on the issues that pertain to us, nothing would be said. There were 48 of you who worked in concert. You clumped together and your interest because all of you are white, all of you think basically the same way. Even when one is a "Repelican" and one is a Democrat, when it comes right down to whiteness, you're all the same. As opposed to black people, there is no Republican, there is no Democrat. There is no Christian. There is no Jew. There is no anything. It's white against black; power against the powerless. So white people's interests parallel. They parallel. They intersect and they interconnect. They overlap. So let's say 20 of the 48 white people don't feel like talking. There are 28 other white people who will speak on every issue, but you won't have 20 of them usually who won't say anything. But let's say that you have that happen. Now let's put the shoe on my foot and we have more serious problems than all of

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those you will ever encounter. And we know it because we hear how you whine and cry when a little rain destroys some of your property and you let this socialistic attitude take over and you want the government to pay-- bail you out. And you know that in these locations where you build your homes is a flood plain and you're gonna be flooded out, but you don't care because your white government is going to practice a socialistic philosophy and bail you fools out. And they're going to take the tax money paid by the people with some intelligence to bail out the fools over and over and over.

**FOLEY:** One minute.

**CHAMBERS:** So we see that. We see your government presided over by Donald Trump, who will create problems for the white farmers by initiating what he called a trade war with China. So in order to soften the blow for them, he said, well, we'll put \$16 billion, billions out there to help these farmers. Yeah, it's socialism, but I'm doing it. And L'etat c'est, moi, I am the state. What I say goes because what I say is the law. And like the King of England, it is necessary that I be above the law and can do no wrong. So the farmers are waiting for their socialistic handout. Some get them and some don't. But all these people believe in free market, self-reliance are suddenly quiet because this is white people's interests--

**FOLEY:** Time, Senator.

**CHAMBERS:** --and concerns overlapping. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Chambers. Senator Hunt.

**HUNT:** Thank you, Mr. Lieutenant Governor. I'll yield my time to Senator Chambers.

**FOLEY:** Thank you, Senator Hunt. Senator Chambers, 4:50.

**CHAMBERS:** Thank you, Senator Hunt. Thank you, Mr. President. Their interests overlap, but some of the farmers don't get anything. But some of the big farmers, one of them, he's in the U.S. Senate and he's getting his. And when he was asked about it, he said, I'm getting this not because I'm in the Senate, but because I'm a farmer. And I was adversely affected by the President's policy and he gets it. Then these dumb, ignorant, down here on the ground getting dirt under their fingernails farmers will say, but, but, but I love Trump. He's making America great again. By-- by getting China not to buy our soybeans

and-- or not buying our corn, it puts a little pressure on us. But, you know, I read something in the Book of Job yesterday, because, you know, as a farmer, I'm a Christian. I'm a-- I'm an Evangelical Christian. And I read about God and Job having a conversation. And-- and Satan told God that he didn't think that Job would stick with him if he had some adversity. So God said, you want to make a wager? And Satan said, that's what I do. So God said, you're on. What do you want to bet? But they don't tell us what the bet was. But they had the bet. And a bet on God's side was, I can do everything I want to Job, and he won't turn against me. And Satan said, I bet he will. Well, Satan didn't care whether Job would turn against God or not, because it's Satan's job to hurt people. And God's going to help Satan get Satan's job done by putting a hurtin' on Job. So Job was doing nothing but minding his own business and believing in God, and the word came in that his sons were all together and a great big wind came from somewhere. The house fell in and killed everybody. All of his sons are dead. And when they told Job, he said, Oh, my goodness. And his wife said, Job, why don't you curse God and die? He said, Woman, you sound like the silly women. And this is what Job said that the farmer picked up on: Though he slay me, yet will I trust him. That's what he said, the farmers say now about Trump: Though he slay me, yet will I trust him. Then he added something: All the days of my appointed time, I shall wait until my change comes, and the farmer throws that in, too, because they read the Bible. They got plenty of time to do Bible reading now because they can sit out there and look at all the grain and other whatever they got in the silo. So the farmer read, Though he slay me, yet will I trust him. Yeah, that's what I say about the President, because he's God's man. All the days of my appointed time, I wait till my change come. There is a day that the President appointed when he's gonna give me this money, so I'll just keep on waiting. And in the meantime, there are other people who have little children who are hungry, who are without shoes, people with no place to live, people who don't eat, not because they're dieting. They have nothing to eat. They have no shelter. They have no friends. They have no power. They live at the fringes of the society. They are treated like the unpeople--

**FOLEY:** One minute.

**CHAMBERS:** --or the nonpeople. And if everybody is everybody's brother and sister, these are outside the pale because they are not even human beings. And all of these Christians who go to church on Sunday are aware of this going on. And instead of asking God to do it because,

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see, God's not as stupid as they made me as a child think God must be because they're always telling God what to do. But the Bible says that's what God's going to do anyway. But God is not that stupid, should there be a God. He gave these people that he put in positions to be stewards over what is the creation, the means to feed the hungry, to minister to the sick, to heal the brokenhearted, to look after the widow, to give solace to the orphan--

**FOLEY:** Time, Senator.

**CHAMBERS:** Thank you, Mr. President.

**FOLEY:** Thank you, Senator Chambers. Senator Hunt.

**HUNT:** I'd like Senator Chambers to continue. Thank you.

**FOLEY:** Thank you, Senator Hunt. Senator Chambers, 4:55.

**CHAMBERS:** Thank you, Mr. President. If what I've said is true and if those things indeed come from the "Bibble," why are there so many hungry people in a city where you all live? Why cannot people pay the cost of insulin? And if they don't have it, you know what they do? They do what Scrooge wanted the poor people to do who can't feed their children and their children do it with them. They die in the United States of America, which boasts about being the most highly advanced civilized country on the face of the earth, will have its citizens, white citizens. I'm not talking about black people and our little children who get what is called sickle cell anemia, where the cells, instead of staying round, they become like a sickle, like a crescent moon, and they clog up the vessels. And when that happens, there is tremendous pain that is felt. I'm not talking about doing anything for us because we know you don't care about us, that you exalt in our misery. You delight in watching us suffer, just like the little boy gets a kick out of pulling the wings off flies and sticking pins in beetles' eyes. You don't do that because you got us to watch suffer. But I'm not talking about us. I'm talking about your own kind. And if you will let that happen to your own kind, I know what you will be delighted to have happen to us. Why do you do that? You say I'm a racist. You say I hate all white people. I'm the one who is trying to salvage one that you all wanted to kill because you said your state should take a life. And I spent days, months, weeks writing to drug companies, talking to their leaders on the telephone, trying to appeal to your Supreme Court not to take this man's life. And they did it

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anyway and it was one of your kind. If I'm the racist, should not that have given me delight? Shouldn't I have been happy to see you killing one of my enemies, which I have never done? But that's the way you operate. So when I see how you treat each other, then I know what is in store for people like me, and I know how hard my job is going to be. So periodically I will let the legislative floor be my bully pulpit and I will talk back to you some of the things that you spent so much time sending what you call missionaries around the world to tell other people in terms of how they should behave, how they should comport themselves, how they should do what God told them to do. But you can't get it done at home. Don't you know that there was a white man who said charity begins at home and spreads abroad, but it's too hard to take care of home. It's much easier to go someplace else where people are so deprived that you'll be viewed as a savior. Instead of one crust of bread, they'll get two crusts of bread, and then they're supposed to be eternally grateful. What you all need to do is find a black man like me and turn all these things that mean something to people over to me. And I will demonstrate to you how I make use of that.

**FOLEY:** One minute.

**CHAMBERS:** That there is no need for any person-- I didn't say citizen-- any person in this country to go to bed hungry because he or she-- did you say time?

**FOLEY:** You have 45 seconds.

**CHAMBERS:** Oh, thank you. Nobody would go to bed hungry unless he or she chose to. Everybody would have shelter. Everybody. Nobody would have a sickness for which there is a cure who could not obtain that medicine. Anybody whose heart is broken, whose-- whose mind is broken, we would have somebody to help repair--

**FOLEY:** Time, Senator.

**CHAMBERS:** --that mind. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Chambers. Senator Hunt, you're recognized; your third opportunity.

**HUNT:** Thank you, Mr. Lieutenant Governor. I have to talk for just a moment so that Speaker Scheer can have a word with Senator Chambers. I think that our body has done a really good job with the bills

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introduced so far this year in finding solutions that are not partisan, that are not the negative view of what a politician would be, taking that kind of place to solve a lot of the issues that Senator Chambers is talking about. The-- the juvenile justice bill that we discussed yesterday that Senator Pansing Brooks introduced. I'm happy that we could move that to the next round, because I feel like we have a serious responsibility to the children in our juvenile justice system in the YRTCs. And I know so many people have worked so hard to find solutions for that. And I'll yield the rest of my time to Senator Chambers.

**FOLEY:** Thank you, Senator Hunt. Senator Chambers, 4:00.

**CHAMBERS:** Thank you, Senator Hunt. Thank you, Mr. President. You may have seen the Speaker and I conversing. We reach accords or understanding. And when we reach an accord, we each abide by what we said we would do. So after I exhaust, this time speaking, I will release you. See the power that you put in the hands of a black man and that's why you don't want us to have it, because we know how to use it. If you were Moby Dick, that big white whale, we would know how to sink that harpoon deep, twist it, then lift that big white carcass out of the air and hold it up for everybody to see what evil incarnate looks like. So that's why you don't want us to have any power. You would give me a good job and a lot of money if I would laugh when nothing's funny; if I would scratch when I don't itch; if I would carry sand in my pocket and every time I approach you at your desk, I'd throw some on the floor so that I can shuffle in. Then you'd give me all the money that I want. But you have nothing that you can give me that I want. There's a guy named Georges Clemenceau and he said: America is the only nation on the face of the earth that passed from barbarism to decadence without the usual intervention of that period known as civilization. Where is the civilization? In this country, you can find the word in the dictionary; but once you find that definition, you will search far and wide. I'm not gonna tell you who the guy was, but he had a lantern and he'd go around in the early days looking for an honest man and he never found one. You'd search longer than that, and you will not find civilization in a general sense in this country-- pass from barbarism to decadence without the intervention of that usual period known as civilization. And when there is something that emerges from America, which is given credit for showing some compassion or human worth, it usually is done by somebody from another country who decided to come here and try to do some missionary work. And the people who do that are not always pale.

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They do not always have blue eyes. This last point-- how much time do I have, Mr. President?

**FOLEY:** One minute.

**CHAMBERS:** I think I can get this in. These white people were asking this black man who is very strong in his views, his name is Malcolm X. They said, tell me, Minister Malcolm, do you really believe that black people are superior to white people? Malcolm X said, I've never said that, but I studied your history. I studied your philosophy, and I studied your biology when I was in prison. Prison was reformatory for Malcolm. He studied. He said, you have through your people who understand genetics, you have dominant and recessive qualities. When it comes to skin color, black people have the dominant element because we're black. When it comes to eye color, we are dominant. Our brown or dark eyes are dominant to your recessive blue eyes. When it comes to hair color, you are recessive when it comes to that. The only reason Senator Lowe and I have hair basically the same color because I've lived so much longer than him.

**FOLEY:** Time, Senator.

**CHAMBERS:** Thank you, Mr. President.

**FOLEY:** Thank you, Senator Chambers. Senator Bolz, you're recognized to close on your motion if you care to. She waives close. The question before the body is the adoption of Motion 115 to withdraw LB904. Those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 41 ayes, 0 nays, Mr. President, on the motion to withdraw the bill.

**FOLEY:** The motion is adopted. Senator Bostelman would like to recognize a guest today, a very special guest, his wife Jan Bostelman is with us from Brainard, Nebraska, under the south balcony. Jan, if you could please rise. I'd like to welcome you to the Nebraska Legislature. Items for the record, Mr. Clerk.

**CLERK:** Mr. President, thank you. New bills: LB1000 is a bill by Senator Blood. It's a bill for an act relating to gaming. It directs registration fees collected in relation to the regulation of fantasy contests to professional development for the early childhood care and education workforce. LB1001 is by Senator Crawford. It's a bill for an act relating to education; requires hotline phone numbers on student

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identification cards for middle school, high school, and postsecondary education students. LB1002, Senator Bostelman relating to public health and welfare. It changes provisions relating to wholesale drug distribution for emergency medical services and redefines terms. LB1003 is by Senator Walz, a bill for an act relating to cities of the second class and villages; provides annexation powers for purposes of relocation due to catastrophic flooding. LB1004, Senator Lathrop, a bill for an act relating to the Nebraska Treatment and Corrections Act. It changes provisions relating to eligibility for parole. LB1005 is Senator McCollister. It's a bill for an act relating to elections. It changes provisions relating to nomination and election of certain partisan candidates as prescribed. LB1006 is by Senator Hansen. It's a bill for an act relating to civil procedure. It changes provisions relating to garnishment summonses. LB1007 is by Senator Matt Hansen relating to criminal procedure. It changes provisions relating to competency to stand trial and competency to be sentenced. In addition, Mr. President, I have a hearing notice from the Natural Resources Committee and a motion with respect to the withdrawal of LB765. That will be laid over. That's all that I have at this time, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Hughes, you're recognized for a motion.

**HUGHES:** Thank you, Mr. President. I move that a committee of five be appointed to escort the Governor of the state of Nebraska to the Legislative Chamber to deliver his State of the State Address.

**FOLEY:** Thank you, Senator Hughes. Members, you've heard the motion. Those in favor say aye. Those opposed say nay. The motion is adopted. And I hereby appoint the following five members to the escort committee: Senators Albrecht, Crawford, Geist, Howard and Linehan. If those five senators could please retire to the rear of the Chambers and then proceed to the Governor's office for the purpose of escorting the Governor to the Chamber. The Legislature will stand at rec-- at ease for a few moments. The Chair recognizes the Sergeant at Arms.

**SERGEANT AT ARMS:** Mr. President, the-- your escort committee is now escorting the Governor of the great state of Nebraska, Pete Ricketts.

**FOLEY:** Members of the One Hundred Sixth Legislature, I present to you the Governor of the great state of Nebraska, Governor Pete Ricketts.

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**PETE RICKETTS:** Thank you very much. Thank you. Please sit down. President Foley, Speaker Scheer, members of the Legislature, distinguished guests, friends, fellow Nebraskans, good morning and congratulations on the commencement of the Second Session of the One Hundred Sixth Nebraska Legislature. I want to welcome each of you back to Lincoln, and I look forward to working together to keep Nebraska Strong in what is certain to be a fast-paced, short session. From property tax relief to flood relief, we have several important priorities that we must address. As we enter this session, our priorities for 2020 have been shaped by the events and circumstances our state has faced over the last year. As I have said before, I believe 2019 will be remembered as Nebraska's finest hour. When we were faced with the most widespread and costliest natural disaster in state history, Nebraskans responded with heroic grit, determination, resilience and generosity. For 318 days from February 4 to December 19, Nebraska had a flood watch, warning, or advisory somewhere in our state. Through it all, Nebraskans showed the world what it truly means to be Nebraska Strong. Nebraskans not only rescued stranded neighbors, but they also sandbagged levees, donated hay and supplies, delivered hot meals, and raised money for those who had lost everything. Last month, the First Lady and I had the honor of presenting several of our flood heroes with a token of our state's appreciation. These men and women are ordinary Nebraskans who recognized the need and took lifesaving action. In many cases, they did this not because it was their job, but because they cared about their neighbors and their communities. Sadly, the flooding claimed the lives of six Nebraskans. One of those Nebraskans was James Wilke. James was a farmer near Columbus who sacrificed his life while volunteering to save a stranded motorist. When local emergency responders asked for his help, James answered the call. He put on his boots, got in his tractor; and while driving his tractor to the rescue, the bridge he traveled over could not withstand the powerful water and collapsed. God called James home earlier than any of us expected. He will forever be remembered for his selflessness and heroism. His wife Rachel and family are here with us today. Will you please help me recognize them? [APPLAUSE] Today, I also want to recognize the amazing work of our public servants at the state of Nebraska. They are the unsung heroes who worked around the clock organizing rescues, clearing roads, and supporting communities. During the flooding, members of the Nebraska National Guard drove nearly 45,000 miles and put in 335 hours of flight time. Along the way, they rescued 112 people; 66 of those rescues were by helicopter hoist. The Nebraska State Patrol made more than 160 rescues in the

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weeks following the blizzards and floods in March. Rescues were made using patrol units, light armored vehicles, boats, and a helicopter to reach people in danger and bring them to safety. In July when another round of flooding struck central Nebraska, the Nebraska State Patrol was among the first on the ground to help. Troopers worked side by side with Kearney police officers and others to evacuate hundreds of people from the flooded businesses and hotels in Kearney. At the Nebraska Department of Transportation, teammates like Rudy Novacek sacrificed countless hours to keep people safe. Rudy was escaping through floodwaters in a plow truck when he turned around to go back and assist a Nebraska state trooper that got stranded behind him. Since the flood, the agency has helped rebuild the state by reopening and repairing 3,300 miles of state highway and 27 bridges. And finally, I want to recognize the team at the Nebraska Emergency Management Agency. They helped coordinate the response across the state, supported local emergency managers, directed resources, and ran a joint information center, among other countless duties. They are among the best of their peers in the nation. Please help me recognize representatives from the Nebraska National Guard, State Patrol, Department of Transportation and NEMA, who are seated in the balcony here today. [APPLAUSE] Before I elaborate further on the State of the State, I want to briefly honor State Patrol Trooper Jerry Smith, who lost his life in a tragic crash last year. He was the true first trooper we've lost in the line of duty in the last 20 years. From the sands of worn-- war-torn Iraq to the highways and byways of Nebraska, Trooper Smith's life was distinguished by service, a service rooted in his deep love of his family, his community, his state, and his country. While his family was not able to be here today, please help me recognize his sacrifice and the bravery of all the great men and women who serve in our law enforcement agencies. [APPLAUSE] Even though the floodwaters subsided and communities pulled together to rebuild, the events of last year have compounded the challenges for ag producers in our state's number one industry. In addition to the flooding, we experienced several other major events. A fire in a beef processing plant in Kansas depressed beef prices and hit our ranch families hard. An irrigation tunnel collapsed in eastern Wyoming threatening our state's sugar beet industry and hundreds of farm operations. Trade uncertainty has shifted our focus, diversifying markets-- to diversify markets for Nebraska's ag producers. And our continued battle to enforce a robust renewable fuel standard has made for a difficult year for our corn growers. As agriculture works to power through these tough times, each of us has a duty to be a voice

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for our farm and ranch families, whether we come from a rural background or an urban one. Even with these challenges, Nebraska has been able to achieve several significant milestones in the last 12 months. In spite of unprecedented flooding and other unforeseen challenges, I'm happy to report that the state of the state is strong, resilient and growing. In 2019, Nebraska outpaced the national rate for GDP growth. In March, Nebraska marked the first month ever that one million unique individuals has been employed in our state. And in October, we added over 15,000 new jobs, which is the fastest year-over-year growth since 2015. Our team at the state of Nebraska has been working hard to support new growth. Over the past year, we've used our four pillars of prosperity to grow Nebraska and deliver on our mission to make state government more effective, more efficient, and more customer focused. We have connected numerous Nebraskans with great jobs and opportunities, launched new kinds of apprenticeships with CLAAS and Graepel, expanded registered apprenticeships, and created new Developing Youth Talent Initiative programming. We continue to lead the nation in running government like a business. In September, Harvard spotlighted the great work our Center of Operational Excellence is doing to put our customers first, cut wait times, and eliminate waste. Together, we increased the Property Tax Credit Relief Fund by over 20 percent to \$275 million annually or almost double what that was before I took office. And I led trade missions to Mexico, Vietnam, Japan, and Germany to promote Nebraska's quality products and to recruit new investment to our state. These strategies have been key in bringing great opportunities here to the good life. Companies such as Costco, Google, Facebook, and Veramaris have invested in our state. These investments have helped us to create our-- or get our third consecutive Governor's Cup award for the most new investments per capita of any state in the nation. And before I talk about legislative priorities, I want to take a moment to make a special announcement. Nebraska is not just a leader in growing job opportunities, but also in our work in the area of child welfare. You may have noticed that my lovely wife Susanne is not here with us today. She's actually in Seattle with Casey Family Programs accepting the foundation's Jim Casey Building Communities of Hope Award on behalf of our great state. [APPLAUSE] Nebraska is receiving this national award because of the incredible work that private and public agencies have been doing through the Bring Up Nebraska initiative. This work is helping to produce better outcomes for our children. Thanks in part to this work, the number of children in need of foster care in Nebraska has decreased by about 18 percent over the last two

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years, helping keep more children and families together. [APPLAUSE] Please help me thank the Nebraska Children and Families Foundation and all of the incredible partners who invested so deeply in Bring Up Nebraska, our kids, and their families. [APPLAUSE] Now let's turn to the legislative session and what we can do to grow our state and keep Nebraska Strong. Just a short eight months ago, we collaborated together on a two-year budget that set priorities for this year and next. With the exception of a couple of emerging priorities, I expect state agencies and our partners to manage within this two-year budget. Not including the property tax relief, the budget adjustments I am presenting to you today continue to control spending and limit budget growth to about 2.9 percent over the biennium. A strong finish to last year helped us rebuild our cash reserve and has created the opportunity for us to work on key priorities for the people of Nebraska. In October, the state's Forecasting Board raised its revenue projection by \$266 million for the current and upcoming fiscal year combined. With this fiscal framework in mind, I have four major priorities I'm presenting to you today. First, property tax relief. Property tax relief remains the top priority for the people of Nebraska, and it is my number one priority. Last year we successfully increased the Property Tax Credit Relief Fund from the state to the people of Nebraska by over 20 percent. This was a step in the right direction, but more must be done. Today, I am recommending roughly \$500 million in property tax relief over the next three years to help our farmers, ranchers, homeowners, and businesses. I will be working closely with Senator Linehan and the Revenue Committee to direct this relief in a way that will make a difference in local property tax bills that Nebraskans pay. [APPLAUSE] As we work together, I have three principles that I am following: no tax increases, protect the Property Tax Credit Relief Fund, and encourage-- encourage spending restraint in local governments just like we're doing here at the state. We need local spending restraint because over the last 10 years, local governments have raised local property taxes 54 percent while inflation has only grown at 17 percent. Second, flood relief. Communities across the state of Nebraska have been rebuilding, but there's still a long ways to go. The federal government will step up to provide significant support, but the state must do our part as well. Eighty-four counties and five tribal nations have submitted over \$400 million in disaster relief projects to the Federal Emergency Management Agency. My recommendation includes \$50 million to address the state's share of these projects and another \$9.2 million to aid counties most severely impacted by the disaster. I am also

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recommending an additional \$3 million to maintain an adequate balance in the Governor's Emergency Fund so the state is prepared to address any future events. Third, we need to do more to retain our veterans. Veterans continue to contribute to our communities and our economy after they complete their service. Nebraska is the only state in our region whose veterans population is declining, in part because we tax retirement benefits. This week, you voted 46 to nothing for military retirement tax relief. I want to thank you for advancing LB153 and encourage you to deliver this tax relief that will help us retain our veterans. [APPLAUSE] Fourth, workforce and business expansion. These twin issues need ongoing work in both the public and private sector. Connecting the next generation of Nebraskans to great opportunities in our state is key to helping our kids make Nebraska their home. I am proposing that we invest \$16 million in scholarships for students at our community colleges, state colleges, and university system to help correct-- connect the next generation of Nebraskans with great careers in fields ranging from math and engineering to healthcare and IT. I also want to acknowledge the University of Nebraska President Ted Carter, who has joined us here today. We look forward to working with you as you lay out your vision for the university system. [APPLAUSE] My recommendation also includes funding for LB720, which would refine Nebraska's business incentives. It is critical that incentives are dealt with in this legislative session so Nebraska can remain competitive nationally as we work to recruit and expand job opportunities. And finally, on the topic of work force, I am recommending \$8 million to attract and retain quality teammates in the Department of Corrections. This will support the new agreement recently reached with the Corrections Officer Union. As we implement this agreement, Director Frakes and I continue to look at next steps for the agency and what we need to do to keep our people safe. Property tax relief, flood relief, veterans tax relief, and growing our people and businesses. These are the four ways we can keep Nebraska strong and growing in 2020. I know that there will be tough debates, long nights, and an unpredictable journey ahead. But I also know that the citizen legislators gathered here today can get the job done when everyone works together and rolls up their sleeves. Before I close, I want to recognize the state senators who are completing their final session. Each of these individuals has devoted the last seven years to serving their district and our state. Senators Bolz, Chambers, Crawford, Howard, Kolowski, and especially Jim Scheer who has provided tremendous leadership to the state of Nebraska as Speaker of the Legislature. Would you all please stand and be recognized?

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Thank you for your service. [APPLAUSE] This year also marks an important milestone. It is the 100th anniversary of women's suffrage. I want to recognize all our field-- female legislators and I note that the delegation that was sent to escort me here was also all female legislators. But I want to recognize all of our female legislators who stepped up to serve our state. Would you all plan-- please stand and be recognized. [APPLAUSE] Once again, thank you all for your service to the people of Nebraska. Our work in the coming days will take a spirit of collaboration and cooperation for each of us to do our part to keep Nebraska strong. I look forward to the days ahead. God bless you all and God bless the great state of Nebraska. Thank you.  
[APPLAUSE]

**FOLEY:** Thank you, Governor Ricketts. Would the escort committee please assist the Governor as he departs the Chamber. The Legislature has returned to normal order. Mr. Clerk, items for the record.

**CLERK:** Mr. President, new bills: LB1008 introduced by Senator-- by the Speaker at the request of the Governor. It's a bill for an act relating to appropriations; defines and redefines terms; provides, changes, eliminates appropriations for operation of state government, state aid, postsecondary education, and capital construction. LB1009, introduced by the Speaker at the request of the Governor. It's a bill for an act relating to appropriations; provides for transfers of funds, repeals a fund. And LB1010 introduced by the Speaker at the request of the Governor. It's a bill for an act relating to Cash Reserve Fund; authorizes transfers and repeals the original sections. LB1011 is by Senator Arch. It's a bill for an act relating to hospitals and provides a duty for hospitals; provides an operative date. That's all that I have, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Proceeding on the agenda, introduction of new bills. Mr. Clerk.

**CLERK:** Mr. President.

**FOLEY:** Next item is General File Revisor bills. Mr. Clerk.

**CLERK:** Mr. President, LB740 introduced by Senator Hilgers as Chair of the Executive Board. It's a bill for an act relating to the State Treasurer. It repeals a section providing for certain transfers and repeals the original section.

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**FOLEY:** Thank you, Mr. Clerk. Senator Hilgers, you're recognized.

**HILGERS:** Thank you, Mr. President. Good morning, colleagues. If you recall, around this time last year, we dealt with some short Revisor bills. I think they were LB1, LB2, and LB3 last year. If you recall, in our rules Rule 5 says that every year we-- if there are any to submit, the Revisor of Statutes, Joanne Pepperl, in conjunction with the Exec Board, will introduce Revisor bills. Those bills are intended to make technical changes, for instance, to remove statutes or sections of statute that are now obsolete. We have two such Revisor bills this year, LB740, which is before us, and then LB741 which we'll deal afterwards, both of which deal with obsolete sections of law. LB740 repeals a section of law, Chapter 84-621 that deals with certain cash and revolving fund transfers to the General Fund that occurred on August 30, 2009. We're now in 2020. That provision is obsolete and LB740 would repeal that provision. So I would appreciate your green vote on LB740. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hilgers. Is there any discussion on LB740? I see none. Senator Hilgers, you're recognized to close. He waives close and the question before the body is the advance of LB740 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 43 ayes, 0 nays, Mr. President, on the advancement of LB740.

**FOLEY:** LB740 does advance. We move to the next Revisor bill. Mr. Clerk.

**CLERK:** LB741, a bill by Senator Hilgers as Chair of the Executive Board relates to labor. It repeals provisions governing the Subsidized Employment Pilot Program that terminated on July 1, 2018, and repeals the original sections.

**FOLEY:** Thank you, Mr. Clerk. Senator Hilgers, you're recognized to open on LB741.

**HILGERS:** Thank you, Mr. President. Good morning again, colleagues. Thank you for the vote on LB740. LB741 is the second of two Revisor bills. As the Clerk just stated, does-- it repeals eight sections in Chapter 48 dealing with the Subsidized Employment Pilot Program. That program terminated on its own terms on July 1, 2018. And so this also

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repeals an obsolete section of law. And I would appreciate your green vote on LB741. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hilgers. Any discussion to LB741? I see none. Senator Hilgers, you're recognized to close. He waives close. The question before the body is the advance of LB741 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 41 ayes, 0 nays, Mr. President, on the advancement of LB741.

**FOLEY:** LB741 does advance. Proceeding on the agenda to General File 2020 senator priority bill. Mr. Clerk.

**CLERK:** LB582 is a bill by Senator Brewer relating to crimes and offenses. It changes provisions relating to possession of a stolen firearm. Introduced on January 22 of last year, referred to the Judiciary Committee, advanced to General File. At this time, I have no amendments to the bill, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Brewer, you're recognized to open on LB582.

**BREWER:** Thank you, Mr. President. Good morning, colleagues. I had to go round and round on this bill because I was going to sacrifice my 2020 priority bill on a bill that many said was a Lincoln or Omaha bill. But I believe that this topic is one that is a statewide issue that needed addressed. So that is why I have designated this as my priority bill. With that said, let's look at a little bit of history first on what we're talking about here. LB582 would change how prosecutors prove a crime. The bill about trying to prevent gun-- the bill is about trying to prevent gun theft and gun violence. I think we should make it riskier for criminals trafficking stolen guns. So how do we get here? Let's take a little-- a little look at history. Receiving property in the state of Nebraska has been a crime for many years. In 1991, the Legislature created a new crime. It was part of what's called LB477 at the time and it made possession of a stolen gun a felony in Nebraska. In 2009, the Legislature enhanced the penalty with LB63 from a Class IV felony to a Class III felony. And in 2015, the Legislature enhanced the penalty in LB605 from a Class III to a Class IIA felony. Why the change? Both law enforcement and prosecutors have come to me and said that simply as the law is currently written, it is nearly impossible to enforce. The current law only applies to

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someone who prosecutors can prove or believe that a gun to be stolen from. There is almost no way to get a conviction without a confession. Bad guys trafficking in stolen guns don't make many con-- confessions. LB582 would change the law to allow a con-- a conviction of a person who knew or should have known that the gun that they have has been stolen. This means that someone cannot just lie and get away with a serious crime. The law would let a jury decide whether a person should have known whether a gun was stolen. For clarification, what the bill does not do, it does not increase the penalty for having a stolen gun, does not change the law passed in 1991 for having a stolen gun and does-- does not create a new crime. And it doesn't allow police departments, detectives, investigators to target specific individuals. What the bill does do is it allows for a due process guaranteed by the constitution for a jury or a judge to decide if a stolen gun in the defendant's possession allows for it to be a Class IIA felony. There still has to be a conviction that-- there has to be evidence of a reasonable doubt that this gun was stolen. It allows for this poorly written bill originally to be updated and now be useful to prosecutors. This bill is about process. Currently, the process is broken and it allows for the defendant to claim ignorance when in possession of a stolen gun. And there is no way to prove the crime. The bill allows a judge or jury to decide whether or not the person knew or should have known that a gun in their position was-- possession was stolen. The bill doesn't target anyone. The bill allows for a process to happen. It is up to the judge and jury to decide if a person is guilty or not. In 2018, Lincoln had 129 reported stolen guns; in Omaha, over 1,200. I'm asking you today to support this bill to reduce gun violence both in urban and rural areas of Nebraska. With that said, I would ask for a green vote. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Brewer. Before proceeding, I'd like to announce Speaker Scheer has some very special guests with us today. We have the leadership of the Nebraska State College System with us today. We have board of trustees chairman, Gary Bieganski; a board member, John Chaney; Chancellor of the State College System, Dr. Paul Turman. We have all three of our college presidents with us today: from Chadron State, Dr. Randy Rhine; from Peru State, Dr. Dan Hanson; and from Wayne State, Dr. Marysz Rames. All those guests are with us in the south balcony. Could you all please rise so we could welcome you to the Nebraska Legislature. Proceeding to debate on LB582, Senator McDonnell.

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**McDONNELL:** Thank you, Mr. President. Morning, colleagues. The people that have talked to me about LB582 and have approached me and asked to support it are the police officers, Police Officers Association Union, police management, prosecutors saying that we have a problem and we need help. We have a problem where an individual that's in possession of a stolen gun says, I found it. OK? That individual is going back out on the streets. We have issues where in the last 30 days in the city of Omaha we've had three guns that were in possession of an individual said, I found it and that those guns were part of crimes traced back years before. We have a problem. The people that earlier today we stood for and recognized law enforcement as we usually do because they're the people out there when we're at home and we're sleeping, they're out protecting the streets. And they're asking us to put another tool in the toolbox to stop a future crime against possibly a police officer or citizen. And that's what we're here to do today. That's why I stand in favor of LB582. Thank you.

**FOLEY:** Thank you, Senator McDonnell. Senator Cavanaugh.

**CAVANAUGH:** Good morning. Thank you, Mr. President. I rise in support of LB582. I'm happy that Senator Brewer chose to prioritize this bill. I-- last session this body passed 47 to 0 my bill, LB532, which created an opportunity to make it easier for people seeking protection orders to get those protection orders. And that bill had an amendment on it that had a gun restriction for people who had protection orders out against them. I pulled that amendment because there was concern that it was going to jeopardize the bill. And I've brought it again this year as a standalone bill. So I appreciate that Senator Brewer is bringing up an important bill that creates restrictions on guns for those that we should have restrictions on. And I intend to support this bill. And I hope that the floor will-- the body will continue to consider my bill moving forward that will restrict protection order gun ownership. Thank you.

**FOLEY:** Thank you, Senator Cavanaugh. Senator Chambers.

**CHAMBERS:** Mr. President, members of the Legislature, this is a gun control bill. And I'm glad to see that my friend-- I have a way of promoting people. If I say that the sergeant of arms, Sergeant at Arms in the Legislature should be called the general, then it shouldn't be a surprise that I would promote a colonel to a general, especially when his conduct in combat and otherwise would merit that. So I'm supporting the bill of my friend, "General" Brewer. I'm glad to

welcome him to the ranks of gun control enthusiasts. And I use the word "enthusiast" on purpose because he does nothing he's not enthusiastic about. That having been laid aside, making it clear I'm not going to oppose this bill, I think it is putting the focus in the wrong place. In law they have what can be known-- is known as an attractive nuisance. I can do with my property what I choose. So let's say I build a swimming pool in my backyard and there are people on either side of my house who have little children and those little children come into my swimming pool and are drowned. Do you know I'm liable for what happened on my property? It's my property. People don't have a right to trespass on my property, but also there is an inclination to protect children. So if you make available on your property something that will draw a child and that child responding is hurt, then what you have will be known as an attractive nuisance. You have put something there that drew or attracted that child there so you have a liability. And there are lawyers on this floor who can correct me if what I'm saying is not true. It's one thing to say that guns should not be stolen. Everybody will say amen. I mean, if they're of a religious bent as your Governor and all the rest of you all are who were saying amen and clapping for him. I watched downstairs. I just can't stand to be in the same room with him. But I won't leave this building just because of him. He can temporarily borrow this place. If there are as many guns stolen as "General" Brewer pointed out, and I have no reason to question the accuracy of his statistics, there is a responsibility on the gun owner, on the gun owner. What I saw from his statistics, not a lot of thieves. I saw a lot of people who are making available to those who will take weapons and do bad things with them, a lot of people making those weapons easily available. If ordinary precautions were taken by gun owners, there wouldn't be that many guns stolen. But they want to be able to leave their windows down on their car, the door unlocked, a sign saying, I got a gun in here and they're supposed to not be responsible if somebody comes in here and steals that gun.

**FOLEY:** One minute.

**CHAMBERS:** They don't want to secure the guns in their house. So somebody breaks into the house because they saw that the person who lives there has guns, walks out with the kind of violin cases that were used to-- were used, but who used to be used by the mob to conceal long guns and other kind, see him walk out with guns strapped to his hips so he knows-- and the he I'm talking about is a would-be thief-- that that house is full of guns. So that's where I'm going to

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go. In the same way that Willie "the Actor" Sutton said he robs banks because that's where the money is, thieves of guns go where the guns are. And I was waiting to hear somebody express alarm at the number of careless gun owners, which has been established by statistical evidence, unchallenged, unquestioned--

**FOLEY:** That's time, Senator. You may continue, Senator Chambers.

**CHAMBERS:** --unrebutted. Remember, I'm going to vote for this bill. Around this place, you have to take what little you can get. What is to be done about the careless gun owner? You can't even get a bill or a resolution or an ordinance to place limitations on the circumstances under which and how guns can be transported in vehicles because that's considered affecting the Second Amendment. All they say I'm Second Amendment rights, Second Amendment rights. Trump said he loves people who are not educated. He said that: I love uneducated people. So he doesn't tell you what the Second Amendment says. You wouldn't even know that. But you know the slogan. You're taught to think in slogans and speak in cliches so you say, Second Amendment rights. They jump, Second Amendment rights. What does the Second Amendment say? Well, if you don't know what it says, you don't need to. Well, go ask-- go ask the President. He knows. I don't know. But by God, there are those who do and I trust them. And they say, when you're going to bother my Second Amendment rights, something is wrong with you. And although I don't know what my Second Amendment rights are, you are one of those who wants to take those rights from me. And I know it 'cause Mr. Trump told me. Well, Trump is playing from Abraham Lincoln playbook. You can fool all of the people some of the time. You can fool some of the people all of the time. But you can't fool all of the people all of the time. And Trump's followers fall into that middle category where you can fool some people all of the time. And he told you that Trump did. He doesn't-- he loves uneducated people. So he keeps them ignorant. And he plays also from the his-- Hitler playbook that you gear your lies, and I'm paraphrasing, to the least intelligent of the people you want to reach and they swallow it. So the Hitler playbook says tell your lies, but dumb it down to get to the dumbest ones you're appealing to. And that's what Trump did-- Hitler's playbook, Abraham Lincoln's playbook. And now you got all these people running around here talking about Second Amendment rights don't even know what they are. And then there's somebody on this floor, La Grone, appointed by your Governor, trying to get the Nebraska Constitution to put an impediment in the way of those who want to exercise their First Amendment rights. One, a very important right is the right to vote I

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thought. And for people like me, it was put there in the U.S. Constitution specifically by an amendment. And as quiet as it's kept, it was put there in such a way that black men were given the vote in America before white women. And some of those white women used black people as the shill, the shill. He-- they would say, you're going to let these ignorant black men vote and intelligent white women can't vote. Yeah, that's what those white women who were pushing for the right to vote for white women were doing. What I was telling you about this morning, black people are everybody's whipping person and a tool to benefit white people. Why did they have to denigrate and degrade black people to show that they have a right to vote?

**FOLEY:** One minute.

**CHAMBERS:** Because they know that that's the way to get things done in America. You going to put somebody like that ahead of me in the line? Your momma was my color. Your wife is my color. The only woman you had sex with who wasn't my color was one of those kind. You know why George Washington put Thanksgiving into the Constitution, I mean, said that it ought to be a holiday? You know what he's thankful for? He was one of the first sex traffickers in history. And he wanted to thank God for making available a whole continent of beautiful women that he could own and do with as he pleased sexually. He was a sex trafficker. Thomas Jefferson was a sex trafficker. Andrew Jackson. You want me to give the whole list of the white Presidents who were?

**FOLEY:** That's time.

**CHAMBERS:** And my words run people out of here.

**FOLEY:** It's time, Senator. Thank you, Senator Chambers. You're actually next in the queue for your third opportunity, Senator Chambers.

**CHAMBERS:** Any time people run out of here when I'm talking, I feel like saying what the "Bibble" say: Don't leave. I got more pearls to cast. You don't like it when I just use words, do you? My words are not devastating. They're merely collaborating. Tell me George Washington was not a sex trafficker when he admitted he owned black women. And if people like Weinstein and Frankenstein and all of the other Steins who were misusing these women and even the queen's own brother are involved in sex trafficking, the cream of society. You gonna tell me these racist, no good dogs who are owning black women

were not going to misuse them sexually? Where do you think half white people came from? Black people were not jumping over the fence going where white people were. And the anecdote when it came to Thomas Jefferson, because people knew the name of his mistress and several of them, Ms. Jefferson said, Thomas, you leave those black women alone. He said, Mrs. Jefferson, I'll leave you alone first. There was a Britisher, a French guy. He did a lot of writing about the wonderful things in America. He talked about when he got to the plantations, he saw all these little children running around. And the only difference is that some were darker than the other. Other than that, they had the same family resemblance, which mean they had the same daddy running around there. And there were slaveholders who bred babies intentionally on black enslaved women so they could sell them like livestock. And you want me to say that that fab-- you all get mad when I tell the truth and say rag so I'm gonna soften it-- that piece of fabric ought to be respected by me? Thomas Jefferson, Patrick Henry, James Madison, Andrew Jackson, just to name a few of the sex traffickers. Sex traffickers. And you want me to honor them and the flag under which they did this and by which they were protected? You can praise it. You can pledge your allegiance to it every morning. I would be a fool if I did that. I would be certifiably insane if I did that. I've mentioned before that in Lincoln they have a Rosa Parks Parkway that runs west. And the cops who put Rosa Parks in jail wore a piece of that fabric on their sleeve. That's what it did. And this was a black woman who was playing by the rules of segregation and discrimination. Because when you got on the bus, there was a sign that said "Colored" and you sat behind that sign. Rosa Parks did that. She went by the rule. She got on the bus and being deemed as subhuman, she got behind that sign. Then more white people came. And you know what happened? They moved the sign back farther. And the black people somehow contaminated these seats in front of the sign, but they didn't contaminate the seats in back of the sign when white people didn't want to stand up. So they keep pushing the black people farther and farther. And Rosa Parks probably said in her mind: I'll let you degrade me. I'll let you insult me. I'll let you reduce me to the level of a subhuman. But I'm not going to let you degrade me any further.

**FOLEY:** One minute.

**CHAMBERS:** No, I will not give up my seat. So they call some cops with those flags on their sleeves to take her off that bus and take her to jail. And when she went to the courthouse, in the courthouse was that

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fabric and cops and bailiffs standing around with that fabric, sex traffickers, men and women stealers. And you all get upset when I tell the truth. You're out of your mind. I'm not out of mine. And that's what these kind of things inspire me to do. And I speak your language better than most of you do, which shows again the superiority of black people. I'm not a chairman of a committee, certainly not the chairman of the Education Committee. But I would match my ability to speak your language syntactically correct, grammatically correct, lexicog-- lexicographically correct.

**FOLEY:** That's time, Senator.

**CHAMBERS:** Thank you, Mr. President.

**FOLEY:** Thank you, Senator Chambers. Senator Briese, you're recognized.

**BRIESE:** Thank you, Mr. President. Good morning, colleagues. I want to thank Senator Brewer for bringing this bill. At the end of the day, I'm going to support it and I'm going to encourage your support also. I think it's important as a tool, as a tool to help keep our communities safer. But as I looked at the bill, I did want to be kind of-- more clear on what we're doing here. Current statute requires in the context of stolen property knowledge that it was stolen or a belief that it was stolen. Current statute relative to stolen guns requires the same thing. And this is gonna make a change here. And so under the current bill or any bill to garner criminal conviction, all elements of the crime must be proven beyond a reasonable doubt. So under this bill, prosecution will have to establish, among other things, the defendant had knowledge that it was stolen, a belief that it was stolen, should have known it was stolen or had reasonable cause to believe it was stolen. And if we had a jury trial for prosecution under this statute, the judge would have to provide instructions to the jury. And he or she is probably going to tell the jury in order to help them what reasonable cause to believe that it was stolen means, what does that mean and what's he going to tell them? Does it mean that under the circumstances, a reasonable person in the defendant's position would have concluded that it's more likely than not that it was stolen or concluded that it could have been stolen? Or what's the standard? And I got to thinking, if my Uncle Joe shows up at the farm next fall for hunting season and wants to sell me a shotgun for 20 cents on the dollar, can I safely assume it's because he likes me? Or do I need to start asking him some questions? We talked the other day in the context of Senator Groene's bill about what reasonable means,

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and it's a fluid concept. You know, what is reasonable depends on the circumstances. But does this particular language put the burden on me or any legitimate gun buyer to inquire as to its source? And under what circumstances should one inquire? If the price seems too cheap, should I avoid it? Anyway, those-- those are issues that occurred to me. And so this-- this bill is in theory has an impact on all of us. But I do support the legislation. I think it's good legislation to help keep our community safer-- safer. And it's gonna help law enforcement do their job. I'd encourage your support. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Briese. Senator Brewer, you're recognized to close on the advance of the bill.

**BREWER:** Thank you, Mr. President. Well, I must admit that this is probably a little longer discussion than I was anticipating on this. But I-- I do have a couple of things I think we need to go over. On the issue that Senator Briese just spoke about, I think a reasonable gun purchaser, by asking for a simple bill of sale, which you can get a copy of this bill of sale anywhere on-line, print it, have it signed, indicates the serial number, type, model of that weapon. And that would be a way of making sure that that transfer you did it consciously and fairly. So, yeah, there is a way of perceiving or twisting this to where it could be bad for someone. But I think we have an obligation to make sure that the gun you're buying, especially if you're buying in an alley for pennies on the dollar, there's a good chance that's stolen. And we need to make sure that we're not supporting the practice of the stealing of weapons and the resale-- selling of them. So I guess I've went off what both law enforcement and prosecutors have told me is the constant challenge and problem that they're dealing with. And that's why I made the decision to go forward with this bill. Again, the bill simply is clarifying language so that one cannot simply say I didn't know it was stolen and then not have the consequences they should. I agree with Senator Chambers that I think we have an obligation to secure our weapons so that they're not stolen. But I think there's-- there are those out there who live for the very purpose of stealing preferably guns. It's an easy item to market. So I think we have to be reasonable, too, that bad people will do bad things. And stealing guns is something that is a epidemic in places. And this bill will help prosecutors. So with that said, I urge you to vote green. And thank you, Mr. President.

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**FOLEY:** Thank you, Senator Brewer. The question before the body is the advance of LB582 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 43 ayes, 0 nays on the advancement of the bill.

**FOLEY:** LB582 advances. Proceeding now to General File, next bill, Mr. Clerk.

**CLERK:** Mr. President, LB381 is a bill by Senator Ben Hansen relating to government that amends numerous sections of law. It changes provisions relating to reimbursement for expenses. It eliminates obsolete provisions, it harmonizes provisions, and provides an operative date. The bill was introduced on January 17, at that time referred to the Government Committee. The bill was advanced to General File. I have committee amendments as well as an amendment to the committee amendments, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Ben Hansen, you're recognized to open on LB381.

**B. HANSEN:** Thank you, Mr. President. So just a little brief history here. The original rationale for LB381 began in 2016 with the passage of LB935. LB935 would have reimbursed state employees at the full federal GSA rate, including travel and lodging, and therefore was ultimately vetoed by the Governor because of the increased costs associated with the bill. Another attempt-- attempt in 2017 fell short due to time constraints with the session that was voted out of committee 8-0 and almost universally supported. So LB381 addresses some of the previous hangups about the bill while still capturing the support the previous versions had. The bill changes the state reimbursement process from our current system of actual expenses reimbursed with receipts to a system that pays out a percentage of the federal per diem rate to the worker prior to incurring those expenses. By doing so, DAS will save important hours that the staff could be spending on other responsibilities and duties that provide a higher value to the state. In committee, the Department of Economic Development submitted a letter estimating that the agency would save over 600 working hours a year in reviewing and processing travel reimbursements, as well as saving over 50 hours in reduced time for documenting meal and incidental expenses. This bill went through some changes last year with AM207 filed by the Government, Military and Veterans Affairs Committee and was tweaked a little bit over the

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interim while the Department of Administrative Services, the Exec Board, and Legislative Accounting all communicated to ensure the process was streamlined and did not result in any unanticipated consequences. The bill was voted out of committee 7-0, with only Senator Hilgers being absent. There were no opponents to the bill. And so with that, I urge your adoption of the amendments and the advancement of the bill. Thank you.

**FOLEY:** Thank you, Senator Ben Hansen. As the Clerk indicated, there are amendments from the Government Committee. Senator Brewer, as Chair of the Government Committee, you're recognized to open on the committee amendment, AM207. Senator Brewer.

**BREWER:** Thank you, Mr. President. The Government Committee held a hearing on this bill on 14 February 2019. It was unopposed in the hearing and voted out with no opposition 7-0. The committee advanced the bill on AM207. The committee provided greater detail on which the federal reimbursement standard will be used for different types of travel. I think Senator Hansen's bill will streamline our state process and save money. I'd urge everyone to vote green on AM207.

**FOLEY:** Thank you, Senator Brewer. Mr. Clerk.

**CLERK:** Thank you, Mr. President. Senator Hansen, Ben Hansen would move to amend the committee amendments with AM2075.

**FOLEY:** Senator Ben Hansen, you're recognized to open on your amendment.

**B. HANSEN:** Thank you. Pretty simple amendment here. It does make clear that legislate-- that the Legislature is excluded from this bill and clarifies the Legislature will maintain its own policy and procedures for expense reimbursement as established. Thank you.

**FOLEY:** Thank you, Senator Hansen. Debate is now open on LB381 and the pending amendments. Senator Lathrop.

**LATHROP:** Thank you, Mr. President. And I'd like to see if Senator Hansen will yield to a few questions.

**FOLEY:** Senator Ben Hansen, would you yield, please?

**B. HANSEN:** Yes.

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**LATHROP:** Senator Hansen, I got to make a disclaimer at the beginning of this conversation. My computer won't bring up the bill right now. They're working on that. So I'm flying blind on this one. But I do want to ask some questions. The current process now for state employees is if they are traveling then if they purchase a meal, they keep their receipts, they turn their receipts in and then they are reimbursed. Is that the-- is that the process?

**B. HANSEN:** Yes.

**LATHROP:** And what this would do would be to allow-- who's going to decide where in relationship to or what percentage of the federal reimbursement per diem reimbursement rate state employees are going to be reimbursed for their meal travel while traveling?

**B. HANSEN:** That would be the Department of Administrative Services.

**LATHROP:** So we don't know as state senators whether that's going to be at 60 percent of the federal reimbursement rate or 100 percent.

**B. HANSEN:** Correct. But the typical is around, for most states, is typically around 65 to 68 percent, sometimes 70.

**LATHROP:** So did I understand that in your introduction, that in the past this bill has come before the Legislature, when it was-- when it was here previously that it had a fixed number?

**B. HANSEN:** It was a full-- the full per diem, full federal rate from my understanding.

**LATHROP:** OK. And do I also understand that it didn't advance in the past because it would have had a fiscal note or it would have resulted in the state spending more in reimbursement for meals for traveling state employees?

**B. HANSEN:** Yes, from my understanding, yes.

**LATHROP:** In the event DAS sets it at 100-- this thing has no fiscal note right now. Is that true?

**B. HANSEN:** That is true.

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**LATHROP:** If DAS sets it at 100 percent of the federal reimbursement rate, then this bill will have passed without a fiscal note, but it will have a fiscal impact. Is that right?

**B. HANSEN:** If they leave it at 100 percent.

**LATHROP:** Where's the-- where's the equilibrium? At what point is this fiscally neutral? What percentage of the federal reimbursement rate is it at a fiscally neutral number?

**B. HANSEN:** Sure. Yeah, that's a good question. When we ran a bunch of the numbers, when it came to meal reimbursement rate of what they'd done previously with receipt reimbursement and what they would do at, say, 65 percent, they were pretty-- they were pretty close to neutral. So 65 percent would be right around neutral compared to what they'd been reimbursed before and what they'd be reimbursed now under this bill.

**LATHROP:** Do we have any indication from DAS where they intend to put this?

**B. HANSEN:** They intend to kind of keep it very close to what the other states have done on average, which is somewhere around 68 to 69 percent.

**LATHROP:** OK. We're excluding legislative employees, and why is that? If this is a good idea for all state employees, why is it not a good idea for legislative staff?

**B. HANSEN:** I think it's because they just wanted to keep it the same for Legislature and not confuse the matter and just keep it for state employees for now.

**LATHROP:** But the Legislature, if, for example, somebody from the Ombudsman's office or-- or Legal Counsel do some kind of travel or go out to McCook and look at the Work Ethic Camp out there and spend the night, they-- they-- they need to then submit receipts--

**B. HANSEN:** From my understanding, yes.

**LATHROP:** -- for reimbursement. On-- when we submit receipts, state employees currently under the current system right now, are there limitations on how much they can spend for lunch or dinner or

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breakfast or what guidelines do we have? Can they go out and have a big dinner at Mahogany in Omaha?

**B. HANSEN:** You're talking about the Legislature?

**LATHROP:** Well, no, state employees right now.

**B. HANSEN:** I'm unsure.

**FOLEY:** One minute.

**LATHROP:** There's no cap, though. So right now, if I'm a-- if I'm a state employee, not-- not a state senator, but a state employee, and I'm doing travel and I'm in Nashville for-- for a seminar of some type, whatever purpose we allow travel for, those people then turn in their receipts, but they can go to lunch or dinner or breakfast wherever they want and spend whatever they want and turn the receipt in.

**B. HANSEN:** Again, I hate to assume anything but from my understanding, it has to be within a reasonable measure. But I am unsure whether they get reimbursed the full amount no matter where they go and what they eat. So it's hard for me to answer the question.

**LATHROP:** We don't-- something I may ask you when this thing gets to Select File because I am curious about why we're doing this and-- and what are we saving. The one thing that I-- that I-- we can recognize is--

**FOLEY:** That's time, Senator. Thank you, Senator Lathrop and Senator Hansen. Senator Hilgers, you're recognized.

**HILGERS:** Thank you, Mr. President. I was wondering if Senator Hansen would yield to a question.

**FOLEY:** Senator Ben Hansen, would you yield, please?

**B. HANSEN:** Yes.

**HILGERS:** Thank you, Senator Hansen. I just had two, maybe two or three brief questions specifically related to AM2075. That is your amendment, is that right?

**B. HANSEN:** Yes.

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**HILGERS:** And I think I heard you say in the introduction or the opening to your amendment and that the intent of AM2075 is to ensure that the legislature-- the status quo for the Legislature, both senators and staff, is-- is kept the same. Is that correct?

**B. HANSEN:** Yes.

**HILGERS:** So just to be explicit and make sure that we're pretty-- providing a clean record, that the amendment ensures that there's nothing in the underlying bill that will change anything to do with Chapter 50, Section 201 and Chapter 50, Section 202. And those are the sections that authorize the Legislature session expense reimbursement plan, is that correct?

**B. HANSEN:** Yes, we're keeping that the same as per our policies and procedures set by the Exec Board.

**HILGERS:** OK. Thank you very much, Senator Hansen. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hilgers. Senator McCollister.

**McCOLLISTER:** Thank you, Mr. President. Good morning, colleagues. Wondering if Senator Ben Hansen would answer a few questions.

**FOLEY:** Senator Ben Hansen, would you yield, please?

**B. HANSEN:** Definitely.

**McCOLLISTER:** The listing of states and the rate at which they reimburse those people traveling, do you have a list that would list out the percentages of cost that we could see?

**B. HANSEN:** A-- you talking about what would it be currently under this bill?

**McCOLLISTER:** Yeah. Well, among all states, where would Nebraska fit into into the--

**B. HANSEN:** Yeah, we do-- I do have a list of all the states that currently use like a per diem rate. Some do it for lodging, some do it for travel, some do it for all three. We're just doing it specifically for meals. And they do have certain rates set for meals and some of them are at 50 percent, some of them are at 81 percent, some of them are at-- it's kind of all over the board. It kind of depends on the

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state and what they reimburse. But the typical average that we found out for the states doing this is somewhere around 67-- 65 to 68 percent.

**McCOLLISTER:** Following up on Senator Lathrop's question, how will DAS figure the percentages to be used? Will it be arbitrary or will they follow some formula?

**B. HANSEN:** I don't think is any formula per se, but it's just to kind of keep it, from my understanding, close to their current reimbursement rate now and not shortchange the employees.

**McCOLLISTER:** Would it be possible to include state legislators, state senators on such a reimbursement plan?

**B. HANSEN:** I mean, it could eventually if you really wanted to. Right now, we left the Legislature off.

**McCOLLISTER:** Now would your bill allow that to occur?

**B. HANSEN:** If somebody amended it or eventually if somebody changed that in statute.

**McCOLLISTER:** OK, thank you, Senator.

**B. HANSEN:** Yep.

**FOLEY:** Thank you, Senator McCollister and Senator Hansen. Senator Lathrop.

**LATHROP:** Senator Hansen would yield to a few more questions.

**FOLEY:** Senator Ben Hansen, would you yield further?

**B. HANSEN:** Yes.

**LATHROP:** Senator Hansen, I want to go back to that question I had about at what point does this become fiscally neutral. In other words, we're going to spend the same amount on reimbursing employees under this proposal as we would had they continued to provide receipts. And I think you said that the break even point is at about 65 percent or 67.

**B. HANSEN:** Yes.

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**LATHROP:** But the bill says that it will be set by DAS at no less than 75 percent, no more than 100 percent. So wouldn't we be spending more money to use this process versus the current process where we provide receipts and-- or that state employees provide receipts?

**B. HANSEN:** Sure. That's a good question. That was under the original bill. My AM2075 changes that down to 60 percent.

**LATHROP:** OK.

**B. HANSEN:** And that is we went to 60 percent because it's hard to sometimes determine what the federal rate, what the federal government is going to do and what their costs are so we're setting at the federal rate. [INAUDIBLE] if their costs go up higher and then due to the economy, due to our-- due to our budget if we have to go a little bit lower to kind of keep everything even, there's a reason why I went down below to 60 percent.

**LATHROP:** And this is more of a background question for you. But when do we-- when do we allow this? Like if I drove from-- let's say I live in Lincoln, I go up to Omaha, I meet with a couple people and I have lunch. I'm a state employee. Do I get-- can I put in for a reimbursement for a meal?

**B. HANSEN:** If it's on state business.

**LATHROP:** Of course.

**B. HANSEN:** Yeah.

**LATHROP:** Yeah.

**B. HANSEN:** I think you could put in for it and then you get reimbursed for it, yes, to a certain degree or a certain percentage.

**LATHROP:** OK. This may sound a little petty, but I'm going to ask it anyway. If I take a sack lunch up to Omaha and I'm eating my lunch or drink a beer and eating pretzels over the lunch hour, I'm still going to get my per diem, right?

**B. HANSEN:** Right.

**LATHROP:** As-- and-- and currently we say prove to us that you've actually eaten a meal and that it didn't include drinking beer.

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**B. HANSEN:** Um-hum. And that's where the per diem rate I think, in my opinion, comes out close to neutral because you had some people spending-- so say we give a per diem rate for someone going from Omaha to Lincoln, Lincoln to Omaha of \$50 for their meal. Whereas before when we did the receipt system, some may-- some may have spent \$70, some may have spent \$20. And so that's where they come out with the average typically.

**LATHROP:** So that's-- that's a good point and goes back to the first question I had or one of the first questions, which is do we have any-- currently do we have any guide rails on what they can spend on lunch? Because if you get up to Omaha, you could spend a lot on a lunch or a dinner and then just ask to have it reimbursed. Or does somebody look at that and go, yeah, we're not reimbursing for, you know, a lunch at Mahogany?

**B. HANSEN:** No, that makes-- and that's a good question, actually. But I-- I'm unsure about how high they can pay, you know, how high they're gonna reimburse. Because if you go out to Mahogany and you go to lunch for \$200, I highly doubt the state's going to reimburse you for \$200. But I don't know. I don't know the exact level of what it is, of what you're asking.

**LATHROP:** OK. I'm just trying to see how this squares with the current system.

**B. HANSEN:** Sure.

**LATHROP:** Tell me again why we're not including legislative employees. Would that result in a fiscal note or what's the-- what's the reason then exclude-- if this is a good idea for every other state employee, why is it not a good idea for employees that work in the legislative branch of government?

**B. HANSEN:** My understanding is they may not want to complicate the matter and have the Legislature keep it as is. And for instance, maybe they prove that this does work really well. It does save hours with DAS. Maybe eventually they could move the Legislature to do something similar to this.

**LATHROP:** So let me ask this question.

**FOLEY:** One minute.

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**LATHROP:** Is the reimbursement process currently the same for a legislator or a legislative staff member versus somebody at Health and Human Services? Do we submit our receipts to the same people currently?

**B. HANSEN:** I'm unsure.

**LATHROP:** OK. Maybe those are things that we can catch up on on Select.

**B. HANSEN:** Yep, open to it.

**LATHROP:** Thank you for the courtesy.

**B. HANSEN:** Yes.

**FOLEY:** Thank you, Senator Lathrop and Senator Ben Hansen. I see no other members wishing to speak. Senator Ben Hansen, you're recognized to close on AM2075.

**B. HANSEN:** I waive close.

**FOLEY:** He waives closing. The question before the body is adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 35 ayes, 0 nays, Mr. President, on the adoption of Senator Hansen's amendment to the committee amendments.

**FOLEY:** The amendment is adopted. Further discussion on the bill or the Government Committee amendment? I see none. Senator Brewer, you're recognized to close on the committee amendment. He waives close. The question before the body is the adoption of AM207, Government Committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 40 ayes; 0 nays, Mr. President, on the adoption of committee amendments.

**FOLEY:** Committee amendment is adopted. Further discussion on the bill as amended. I see none. Senator Ben Hansen, you're recognized to close on the advance of the bill.

**B. HANSEN:** Thank you, Mr. President. I appreciate everyone's green vote. And I will have further discussion with Senator Lathrop and

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Senator-- and other senators between now and Select File. So I appreciate your green light on LB381. Thank you.

**FOLEY:** Thank you, Senator Hansen. The question before the body is the advance of LB381 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 40 ayes, 0 nays on the advancement of the bill.

**FOLEY:** LB381 advances. Proceeding on to the next bill on General File, Mr. Clerk.

**CLERK:** Mr. President, LB477 is a bill offered by Senator Vargas. It relates to revenue and taxation; provides an income tax exemption for Segal AmeriCorps Education Awards. Introduced on January 18 last year, at that time referred to Revenue. The bill was advanced to General File. I do not have committee amendments. I do have an amendment from Senator Vargas, though, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Vargas, you're recognized to open on LB477.

**VARGAS:** Thank you very much, Lieutenant Governor, President. LB477-- good after-- good morning, colleagues. LB477 provides a tax exemption for Segal AmeriCorps Education Awards. Similar to the benefits provided by Pell Grants or the G.I. Bill, the AmeriCorps Education Award provides recipients with the opportunity to seek and pay for higher education. Unfortunately, unlike the Pell Grant and the benefits from the G.I. Bill, the AmeriCorps Segal Education Award is taxed as income in some states, including ours, which places a financial barrier in front of young people who provide a public service to our communities and have educational expenses to pay for. Now through their service, AmeriCorps members build communities and solve their needs by helping with local challenges. It is essential that we recognize and ensure that every member has the opportunity to maximize their Segal awards for their public service and volunteer efforts and leverage them towards higher education. As you all know, Nebraska experienced terrible damages and loss of more than \$1.3 billion to the state after last year's flooding. People lost their homes, income, and stability in what was the worst flooding in our state's history. I am so thankful for having individuals and groups volunteer and help others during hard times, including our AmeriCorps members. AmeriCorps has been critical in volunteering and offering

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help to those who have been impacted by the floods. Now their service should be recognized by allowing them to fully maximize their well-deserved educational award. Some of you may or may not know this, but as a previous AmeriCorps member myself, I understand that hard work and sacrifice that it requires. I proudly served with AmeriCorps for two years. I was able to use that-- that education award funds to repay some of my student loans. That through my experience I learned the value of public service and firsthand witnessed the impact that an individual can have on the communities we serve, which is what has called me into a career as a public servant. In Nebraska, AmeriCorps has partnered with ServeNebraska and 66 educational and financial partners across the state. Currently, members and more than 11,000 AmeriCorps alumni have served in more than 400 locations across the state of Nebraska. Members have used more than \$35 million in Segal Education Awards at Nebraska-based anstitu-- institutions like the University of Nebraska, the Nebraska State College System, Nebraska Wesleyan and many more. AmeriCorps members continue to serve their local communities and foster a growing economy after their formal term of service has ended. About 66 percent of AmeriCorps members are employed within six months following their term. Forty-two percent have found employment due to their connections with AmeriCorps. And in addition, which I think is the most important, every \$10 that is spent in AmeriCorps generates a \$15 in return. Now you'll note that this fiscal note on this bill is very minimal. This fiscal note, the impact to the General Fund due to the exemption is very, very small, insignificant. And the only other cost associated with this, which is why there's a fiscal note, is a one-time programing cost for mainframe and website updates from OCIO. I ask for your support on LB477 today. And as again, as a former alumni and my wife is a former alumni, being able to use that educational award in a state like Nebraska I think drives young people to then start a life, put roots down in Nebraska, and we want more of those individuals to find a home here. Thank you very much.

**FOLEY:** Thank you, Senator Vargas. Mr. Clerk.

**CLERK:** Thank you, Mr. President. Senator Vargas would move to amend the bill with AM2098.

**FOLEY:** Senator Vargas, you're recognized to open on AM2098.

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**VARGAS:** The amendment, AM2098, is a very simple amendment that just updates a date, a year specifically. And so there are no other substantive changes. Thank you.

**FOLEY:** Thank you, Senator Vargas. Debate is now open on LB477 and the pending amendment. Senator Groene.

**GROENE:** Thank you, Mr. President. You may note that I was the one no vote out of Revenue Committee. Two major reasons: I thought it was an issue anytime you start giving tax credits that it should not be a consent calendar item. I wanted to make sure there was one negative vote. And the other part was that it did have a fiscal note. And anytime you're spending money and giving money away, we need to be debating it here on the floor, not just voting on a consent calendar item. That's why I-- I voted no. And the other one is I-- I always had this philosophy that everybody gets a tax break or nobody does. And as this body keeps nickel-and-diming tax breaks for this person or that person, somebody has to pay. And that's the middle class who just goes to work every day working in the-- in the free enterprise system as clerks and salesmen and manufacturing employees. We just keep shifting the burden to the middle class. But I have no-- I'm not going to filibuster this or anything like that. I just wanted to explain to you why I did not vote it out of committee. It has a fiscal note and it deserves some debate on the floor too. Every time we do this, every time we make adjustments to the budgets and-- and broaden the-- those who don't pay taxes versus those who do. And that to me is the middle class. Thank you.

**FOLEY:** Thank you, Senator Groene. Senator Slama.

**SLAMA:** Thank you, Mr. President, and good morning, colleagues. I was wondering if Senator Vargas would yield to a couple of questions just to clarify in my mind how AmeriCorps works and how these awards work as well.

**FOLEY:** Senator Vargas, would you yield, please?

**VARGAS:** Absolutely.

**SLAMA:** Fantastic. So how does a person become involved in the AmeriCorps program? Is it need-based, merit-based? How does that work?

**VARGAS:** People apply to the AmeriCorps program. And as a-- there needs to be an entity that hires an AmeriCorps member. So you might have

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seen that there's over-- sort of over 11,000 alumni. They've been working for some entity that's doing service. So I'd give you examples of some. So College Possible is an example of an entity that hires AmeriCorps members. They are choosing to live off of a very small stipend that they get paid every single year. And then after their year of service, working with this entity that is underneath ServeNebraska, which is overseen by the state in Nebraska, they get an education award for their year of service. So you can get two education awards for each year of service.

**SLAMA:** So you get a stipend to live off of and then after a year of service, you get this award. The award is what we're exempting from taxation in this bill, right?

**VARGAS:** Correct. And since the award is delineated to be educational expenses, it can only be used for postsecondary educational expenses and are typically used to then pay off loans or directly to the educational institutions, which is what we commonly see.

**SLAMA:** All right. Do you have any numbers available on how many AmeriCorps members we have in Nebraska in a given year?

**VARGAS:** In a given year? I know that we have about a minimum of about 250. That's growing. But I can tell you we have about 11,000 AmeriCorps alumni across the state. And so they all have earned some education award and they do have a choice on where they use that award. My hope is that they use it here in our state in one of our educational institutions.

**SLAMA:** So do you know how we compare with other states in taxing these AmeriCorps education awards? Do other states, particularly those around Nebraska, tax these awards or not?

**VARGAS:** It's a great question. It's one of the reasons why I brought this bill. A lot of states don't tax it at all. But for some that did tax it at some point, they've changed their-- their laws. So Iowa, for example, our neighbor, changed it and no longer tax this and then also Minnesota as well.

**SLAMA:** All right. Thank you, Senator Vargas.

**VARGAS:** Thank you very much, Senator Slama.

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**FOLEY:** Thank you, Senator Slama and Vargas. Is there any further discussion? I see none. Senator Vargas, you're recognized to close on the amendment, AM2098.

**VARGAS:** I just want to thank everybody. Again, this is not only personal to me, but for a way to then drive more younger people to stay in Nebraska awarding service. And I did share this out with people yesterday. We had over 200-plus AmeriCorps members and Senior Corps members deploy to Midwest from all the regions in-- in this-- in the area of the United States to then respond to our flooding. So I'm thankful for them. I'm thankful for their service, thankful to the commissioners that represent all the state of Nebraska under ServeNebraska and all the alumni hearing this. We want you to serve and we want you to stay and get your education and be contributing members of our state. Thank you.

**FOLEY:** Thank you, Senator Vargas. The question before the body is the adoption of AM2098. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 35 ayes, 0 nays on adoption of Senator Vargas' amendment.

**FOLEY:** The amendment is adopted. Further discussion on the bill? Speaker Scheer.

**SCHEER:** Thank you, Mr. President. Would Senator Vargas yield for a question or two?

**FOLEY:** Senator Vargas, would you yield, please?

**VARGAS:** Happy to.

**SCHEER:** Senator Vargas, and I'm not that familiar with AmeriCorps so bear with me. The awards, would those be the same thing as their pay?

**VARGAS:** No.

**SCHEER:** OK. So is this bill only excluding the awards which are used to pay their educational expenses?

**VARGAS:** Correct.

**SCHEER:** And so were you in AmeriCorps?

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**VARGAS:** I was, yes.

**SCHEER:** OK. All right. Then that-- I don't want to mix up. So how much-- you, if you were paid, I don't-- we'll say \$10,000 for a year of service in AmeriCorps, does this do anything in relationship to exempting that money from income tax?

**VARGAS:** No. So if somebody makes less and sort of fall under the radar getting taxed, they won't-- they won't have an impact on them. For those that are making a living wage and-- and then have the education award on top of that, then they would be taxed because they count the educational award as-- as income. So this only applies to the educational award. Hopefully that answers your question.

**SCHEER:** OK. And the educational award, by their rules and procedures, has to be used for either books, equipment, or tuition. And is that audited that we would know that those dollars were used for that?

**VARGAS:** So this grant is overseen by the federal Department of Education, so very similar to Pell Grants it has very strict guidelines on what it can be used for. And then they have to report whenever they use the funding. They don't have to report exactly what they've used it on. But what we typically see is, since it's confined for a very specific reason, people use it for loans or they use it to then directly pay schools or for some instances they might pay for books.

**SCHEER:** OK but there's-- this-- this program does not have an audited-- audited-- auditing procedure that-- I'm just, you know, worst-case scenario. I get the award and it's \$6,000, \$8,000 supposedly for two-- two semesters of tuition. I can say that I paid University of Nebraska \$8,246; but in reality I could take the \$8,246, not go to college, and put a downpayment on a car.

**VARGAS:** So, no. You actually have to request that funding. And typically what it does is the funding will go directly to the educational institution or the loan. So very similar, like a Pell Grant, which has its own audit procedures. I just can't speak to these exact audit procedures. It operates very similarly to that program.

**SCHEER:** OK. But in order for a person to receive either partial or whole funding, you have to be specific of what that funding is going to be used for.

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**VARGAS:** Yes.

**SCHEER:** And in most cases, if you say it's tuition, then those dollars flow directly to the institution rather than the individual.

**VARGAS:** Correct. So I used mine for higher education institution for a master's program. So I-- I had to designate that it goes to that master's program. And so it went to that master's program.

**SCHEER:** OK. And just clarifying, so they're still paying taxes on the dollars that they received for remuneration for the time of service. It is just this-- the portion that is the award that exclusively uses either for tuition or books or whatever, whatever else. Would that be correct?

**VARGAS:** My thumb is up as you are correct.

**SCHEER:** OK. Thank you. Thank you, Senator Vargas.

**VARGAS:** Thank you very much, Senator Scheer.

**FOLEY:** Thank you, Mr. Speaker and Senator Vargas. Senator Hilgers.

**HILGERS:** Mr. President, good morning, colleagues. I wonder if Senator Vargas, would just answer a brief question or two.

**FOLEY:** Senator Vargas, would you yield, please?

**VARGAS:** Yes.

**HILGERS:** Thank you, Senator Vargas. I wasn't intending to ask a question, but I wanted to make sure the record was clear, because I think the Speaker asked a question that I-- I thought was maybe going to a different point in your answer. I just want to make sure the record is clear. So he asked-- he had a hypothetical about \$10,000, whether that would be taxed or not. Do you recall that hypothetical?

**VARGAS:** Yes.

**HILGERS:** And I think your answer had to do with, I think it focused on the threshold. In other words, whether it was under a taxable threshold of some kind.

**VARGAS:** Correct.

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**HILGERS:** And I think, at least for my mind, the question I have is if you're in AmeriCorps, you can have-- you have a wage that-- that could be taxable depending on the amount. Correct?

**VARGAS:** Yes.

**HILGERS:** And it might not be [INAUDIBLE], you are-- you have personal experience. And then there's the award on top of that. And this only goes to the award. Correct?

**VARGAS:** Only the award.

**HILGERS:** Only the award, but not whatever wage might be-- whatever at the level that is.

**VARGAS:** All that is completely separate because it's a wage.

**HILGERS:** OK. Thank you, Senator Vargas. Thank you, Mr. President.

**VARGAS:** Thank you.

**FOLEY:** Thank you, Senator Hilgers. Senator Clements.

**CLEMENTS:** Thank you. Thank you, Mr. President. I'd like to ask a question of Senator Vargas.

**FOLEY:** Senator Vargas, would you yield, please?

**VARGAS:** You got it, Senator Clements.

**CLEMENTS:** Thank you, Senator Vargas. Is this award taxable by the IRS on the federal tax return?

**VARGAS:** It is. And there is a bill in-- in Congress to then remove that exemption, a bipartisan bill which hopefully passes this year as well.

**CLEMENTS:** So if the federal government quits taxing this, then would Nebraska automatically quit taxing this?

**VARGAS:** No. So it would just be on the federal side. We elected at some point at the state to tax this. So some other states have not-- do not tax it at all. And it was just something they didn't do in the first place.

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**CLEMENTS:** How many states are exempting this award?

**VARGAS:** The ones that I think are the most important, Minnesota and Iowa that are around us. There are several other states that never started, you know, taxing this in the first place.

**CLEMENTS:** I see. Well, I kind of like having Nebraska follow the federal rules. It's a federal program. And if the federal government is still taxing it, I'm leaning toward just following what they do and waiting until they exempt it. And so I'm still not decided about supporting this. And that's all I have. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Clements. Is there any further discussion? I see none. Senator Vargas, you're recognized to close on the advance of the bill.

**VARGAS:** I just want to thank the Revenue Committee for helping with this bill. I do want to also thank Senator Groene. He was completely very honest and direct on how he felt about the bill. And as a reminder, this is not an ongoing cost or a new program in any way, shape, or form. It's a one-time payment that we're making to OCIO to then make a change in tax code. So that's what the fiscal note that you'll see following this. So I ask your support for LB477 to make sure that we continue to support people to stay in the state in Nebraska and also the LB477A that will be following. Thank you very much.

**FOLEY:** Thank you, Senator Vargas. The question before the body is the advance of LB477 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please.

**CLERK:** 39 ayes, 0 nays, Mr. President, on the advancement of LB477.

**FOLEY:** LB477 advances. Now the A bill, Mr. Clerk.

**CLERK:** Mr. President, Senator Vargas offers LB477A. It's a bill for an act to appropriate funds to implement LB477.

**FOLEY:** Senator Vargas, you're recognized to open on the A bill.

**VARGAS:** I mentioned this before, so I'm just clarifying it for the record. You might see this since certain transitions we made. OCIO department agency is requesting this one-time cost. It's not an ongoing cost. It's not a new program. It's not an ongoing fund. It's

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not deriving funds, you know, from here on in from the General Fund. This ongoing cost is to make a change in the tax code. You might see this in some of your bills. It's happening a little bit more often as a result of that change. I ask for your support for this one-time cost to provide a significant long-term benefit to the state of Nebraska in terms of the educational awards staying in the state of Nebraska. Thank you.

**FOLEY:** Thank you, Senator Vargas. Discussion on the A bill. Senator Groene.

**GROENE:** Thank you, Mr. President. Senator Vargas, would you answer a question or two?

**FOLEY:** Senator Vargas, would you yield, please?

**VARGAS:** Of course, Senator Groene.

**GROENE:** I admit I didn't-- I just looked at the fiscal note and just assumed it was less taxes we were going to collect. But you're saying the fiscal note is technology change, software changes at Department of Revenue?

**VARGAS:** Yes. And actually so the fiscal note doesn't reflect any revenue specifically lost because they deemed it to be such a minimal negative insignificant impact is how they worded it. But what this does do is a expenditure of \$58,000, a one-time cost, again, to then be able to-- and I'm reading this into the record--

**GROENE:** Thank you. Thank you. I have a couple other questions.

**VARGAS:** Oh, go ahead.

**GROENE:** So this is the year you received the-- the grant or scholarship or whatever. That's-- that's the year and you're probably in college, right?

**VARGAS:** No. So this is after college. You're receiving the education award when you're doing full-time service in some way, shape, or form.

**GROENE:** Well then clarification, which Senator Scheer asked. They're getting a wage from where they're working. I know some individuals that went to a public school in Louisiana or wherever and did AmeriCorps work. A lot of it was in education.

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**VARGAS:** Yep. So--

**GROENE:** So then you say they're getting-- I thought it was a scholarship to pay for their books and stuff is what you told Senator Scheer.

**VARGAS:** So I want you to think of it this way. I was an AmeriCorps member. I graduated four institution. After my four institution, I became an AmeriCorps member in an AmeriCorps program. I served in a very low-income school district, high need. Typically, we have a high-- hard time placing educators there. And then after my entering the program, I was paid a living wage, a stipend, and then I used the educational award that I received after a year of working. And that award was applied to loans or could be applied to future education [INAUDIBLE].

**GROENE:** Well, it could be applied to paying your rent or buying a car payments or anything like we all do with our pay.

**VARGAS:** So-- so the stipend could, which is not what we're talking about, but the educational award is only for educational expenses.

**GROENE:** And it's only expected that you will go on to a master's degree or something or go--

**VARGAS:** Well, since-- and I won't be the only one that says this, hopefully-- a lot of individuals maybe in this room who have education loans or their-- their children have education loans. So it'll go to then offset the cost of the education loans [INAUDIBLE]

**GROENE:** [INAUDIBLE] prove that that's where the money went, they-- they get the grant.

**VARGAS:** That educational Segal Award is typically used to then pay off educational loans that people have. So that's a very typical use.

**GROENE:** So it isn't used to pay their car payment?

**VARGAS:** No.

**GROENE:** It can't be used for their car payment or their rent.

**VARGAS:** That's why it's a federal grant program and it's an educational award.

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**GROENE:** Thank you, Senator Vargas. That makes it very, very clear.

**VARGAS:** Thank you very much.

**FOLEY:** Thank you, Senator Groene and Senator Vargas. Senator Slama.

**SLAMA:** Thank you, Mr. President. I was wondering if Senator Vargas would yield to just a couple more questions to--

**FOLEY:** Senator Vargas, would you yield, please?

**VARGAS:** Absolutely.

**SLAMA:** Fantastic. So first off, given that you were in the program, what kind of amount of money are we looking at in terms of an award for a single student? I'm sure it varies, but what's kind of the ballpark estimate for how much is awarded?

**VARGAS:** Are you talking about the educational award?

**SLAMA:** Yes.

**VARGAS:** The educational award-- I'm actually gonna make sure I try to get the exact number here-- it's a right under around \$6,000 for each year of service, maximum of two years.

**SLAMA:** OK. So do you have an estimate from the Fiscal Office? I know they said that any annual expense would be so minimal that it didn't warrant being included in the fiscal note. But do you have some sort of ballpark estimate as to how much revenue we'd be losing by exempting these awards?

**VARGAS:** Yes. So I'm going to read what is in the fiscal note because I think it's helpful. You know, typic-- they'll typically actually give you an estimate of the revenue lost when we have a bill. But when they can't-- and this doesn't happen very often-- but consequently, this is the quote, Consequently, it is estimated that this bill will have a minimal negative impact on the General Fund revenues and they could not quantify what the revenue would be because it is a small number of individuals. And that's what I have.

**SLAMA:** OK. Thank you, Senator.

**VARGAS:** Thank you.

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**FOLEY:** Thank you, Senator Slama and Senator Vargas. Further discussion. I see none. Senator Vargas, you're recognized to close on LB477A.

**VARGAS:** Thank everybody and I ask for your green vote for LB477A so that we can make sure to enact LB477. It does need to be passed in order for the change to then happen. So thank you for your green vote for LB477A.

**FOLEY:** Thank you, Senator Vargas. Question before the body is the advance of LB477A to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 36 ayes, 0 nays, Mr. President, on the advancement of LB477A.

**FOLEY:** LB477A advances. Items for the record, please.

**CLERK:** Thank you, Mr. President. New bills: Senator La Grone offers LB1012. That's a bill for an act relating to property taxes. It changes provisions relating to tax exemptions for property acquired by certain tax-exempt entities. LB1013 is by Senator Linehan. It's a bill for an act relating to tobacco. It changes provisions relating to cigarette tax and exempt transactions. Name adds, Mr. President. Senator Hunt to LB848; Kolterman, LB853 and LB899; Gragert to LB946; and Matt Hansen to LR294. Senator Halloran would remove to recess the body, Mr. President, until 1:30 p.m.

**FOLEY:** Members, you heard the motion to recess. Those in favor say aye. Those opposed say nay. We are in recess.

RECESS

**FOLEY:** Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

**CLERK:** I have a quorum present, Mr. President.

**FOLEY:** Mr. Clerk, do you have any items for the record?

**CLERK:** I do. Reference report referring LB975 through LB999. Appointment letters from the Governor, one to the Games and Parks Commission, second letter to the Beginning Farmer Board, and a series

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of hearing notices, some from the Judiciary Committee and the Agriculture Committee. That's all that I have, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Speaker Scheer, you are recognized.

**SCHEER:** Thank you, Mr. President. And he now has left. Colleagues, I just wanted to mention that we have a birthday today among us. Senator McDonnell is having his birthday today. I noticed no treats, no cookies, no doughnuts. He's sort of tight, but we should all wish him well. He's walked off the floor, so there's no way to get a response from him. But at some point in time, if you see him again, you can wish him happy birthday. Thank you.

**FOLEY:** Thank you, Mr. Speaker. Proceeding on General File to the next bill. Mr. Clerk.

**CLERK:** Mr. President, LB68 was originally introduced by Senator Matt Hansen. It's a bill for an act relating to cities. It changes provisions of the Business Improvement District Act and harmonizes provisions. Introduced on January 10 of last year, referred to the Urban Affairs Committee for public hearing, advanced to General File. There are committee amendments pending.

**FOLEY:** Senator Matt Hansen, you are recognized to open on LB68.

**M. HANSEN:** Thank you, Mr. President. And good afternoon, colleagues. I rise to introduce LB68, which makes two key changes to our business improvement district statutes. Business improvement districts, often called BIDs, exist to provide businesses in the same area with the means to raise funds and coordinate with each other to provide and maintain various improvements to the area. Notable BIDs include downtown Lincoln and the Blackstone district in Omaha, as well as multiple other downtown associations across the state. Common improvements include parking, landscaping, sidewalk insulation and upkeep, event promotion, and contracting for security. The mayor, with city council approval, appoints the board, who are property owners in the BID. The board can then recommend plans to the city council for approval and can carry out the plans as directed by the mayor and city council. Currently, once a BID is formed, it only has the ability to expand its boundaries. That means should a BID want to shrink its boundaries, the only option is to completely abolish the BID and create a technically new, but virtually the same, BID with slightly smaller and similar boundaries. LB68 changes this to allow BIDs to

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change the boundaries in both directions, either larger or smaller. Any proposed changes would still need to be approved by the city council and only after a public hearing is held and notice to the property owners is given. LB68 also allows BIDs the ability to change and make updates to their initial plans after they've already been formed. For example, when a BID forms, they may have put in the original plan that they want to coordinate to provide off-street parking in the area, but may want to provide security for that same parking lot, which would technically be outside their initial functions. LB68 would allow this group of businesses to ask the city council permission to add this new process to their plan. LB68 was voted out unanimous-- excuse me. LB68 was voted unanimously out of the Urban Affairs Committee last session on a 7-0 vote. I will note that there was no testimony of any kind at the hearing, but there was a letter of support from the city of Lincoln as they have had to go through the burdensome process of abolishing and recreating virtually similar BIDs, rather than being able to amend. There are two technical amendments, which I both support. And we will explain those when they get here. With that, colleagues, I would urge your green vote on the amendments and LB68. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hansen. As the Clerk indicated, there are amendments from the Urban Affairs Committee. Senator Hunt, as Vice Chair of the committee, could you handle the committee amendment for us, please?

**HUNT:** Thank you, Mr. President and members of the Legislature. The committee amendment, AM334, strikes several sections of the green copy because they were wholly contained in another bill last year, LB193. So it's just a fix for the language. And I would ask your green vote to adopt AM334. Thank you.

**FOLEY:** Thank you, Senator Hunt. Mr. Clerk.

**CLERK:** Excuse me, Mr. President. First of all, Senator Wayne had an amendment to the-- no, I am sorry, never mind. Senator Matt-- Senator Wayne has an amendment to the committee amendment AM2097. I understand Senator Hansen's going to handle that.

**FOLEY:** Senator Hansen, you are recognized to address the amendment.

**M. HANSEN:** Thank you, Mr. President. And I rise to introduce AM2097, which was originally introduced by Senator Wayne as Chair of the

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committee. This is in line with the Urban Affairs Committee amendment. We had multiple bills last year dealing with business improvement districts. And this clarifies and corrects some of my sections that had previously been addressed in LB193, which this body passed last year. So this will amend the committee amendment with a white copy to reflect the changes in LB193. I would urge the committee to adopt both amendments and advance LB68. Thank you.

**FOLEY:** Thank you, Senator Hansen. Debate is now open on LB68 and the pending amendments. Seeing no members wishing to speak, Senator Hansen, you are recognized to close on the amendment. He waives close. The question before the body is the adoption of AM2097. Those in favor vote aye, those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 37 ayes, 0 nays on adoption of Senator Hansen's amendment.

**FOLEY:** AM2097 is adopted. Mr. Clerk.

**CLERK:** Back to the committee amendment, Mr. President.

**FOLEY:** We're back on discussion of LB68 and the pending committee amendment. Is there any discussion? Seeing none, Senator Hunt, you are recognized to close on the committee amendment. She waives close. The question before the body is the adoption of the committee amendment, AM334. Those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 35 ayes, 0 nays, Mr. President, on the adoption of the committee amendments.

**FOLEY:** AM334 committee amendment is adopted. Mr. Clerk.

**CLERK:** Mr. President, AM1988 by Senator Wayne with a note to withdraw. Therefore, I have nothing further on the bill, Mr. President.

**FOLEY:** Further discussion of LB68. I see none. Senator Matt Hansen. He waives closing. Excuse me, Senator Moser did have his light on. Senator Moser, you are recognized.

**MOSER:** Thank you, Mr. President. I just had a couple of questions. I was wondering if Senator Hansen would respond.

**FOLEY:** Senator Matt Hansen, would you yield, please?

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**M. HANSEN:** Of course.

**MOSER:** So reading through the bill, it's not completely clear to me. Does this in any way enable BIDs to be formed more easily or do they have the same requirements to expand as what they had to create the original?

**M. HANSEN:** Yes. So it's-- currently they can expand. What they can't do is shrink. So we amended in 2015, we gave them the ability to expand their territory. But what they're not allowed to do is to shrink their territory. And this bill would allow them to go in either direction. But it's the same method as-- as before, where all of the affected property owners will get a written notice and there'll be a published notice for a city council hearing and a full city council hearing.

**MOSER:** And the same is true of the change of purpose.

**M. HANSEN:** Correct.

**MOSER:** I mean, if they're going to do sidewalks in one district and then they're going to do lighting next or something, they still have to go through all the same hoops.

**M. HANSEN:** Absolutely. The-- the public notice, the notice of property owners, and the city council hearing.

**MOSER:** And it's just a simple majority, generally?

**M. HANSEN:** Yes, I believe so.

**MOSER:** And is there a-- is there a protection for someone to challenge the formation of the BID if the citizens for some reason--?

**M. HANSEN:** Yes, there are. So-- so there are provisions for citizens to challenge it at the city council hearing, as well as just kind of oppose it in the regular city council provisions.

**MOSER:** There-- and so the-- there's no appeal process or anything. It's just the local governing body determines whether it goes forward or not.

**M. HANSEN:** Fundamentally, yes. And I-- I-- I want to be clear. My bill does not necessarily impact the creation of business improvement

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districts. It's amending current business improvement districts. At least that's my--

**MOSEER:** So the other prohibitions or allowances are continued.

**M. HANSEN:** Right. There is-- there is a petition right now, kind of in both directions, that if businesses want a business improvement district and the city council is not acting, they could petition the business-- city council to go forward. Similarly, if enough businesses sign up a petition, they can delay the hearing to give them more time, is one protection I know they have at the creation of a new business improvement district.

**MOSEER:** Typically, these BIDs are a group of businesses that go together and then they're all assessed part of the costs--

**M. HANSEN:** Yes.

**MOSEER:** --of the district. And so some that may not want to spend the money might not want to form-- want the BID formed. OK. Thank you very much.

**M. HANSEN:** Yes, of course.

**MOSEER:** I just wanted to make sure I understood it.

**FOLEY:** Thank you, Senator Moser and Senator Hansen. Senator Arch.

**ARCH:** Thank you. Just a quick question for Senator Hansen.

**FOLEY:** Senator Hansen, do you yield, please?

**M. HANSEN:** Yes, of course.

**ARCH:** Do BIDs have taxing authority?

**M. HANSEN:** No, they do not have taxing authority. They [RECORDING MALFUNCTION] if that's part of their provision. So they don't have it on their own and if-- but they can request that the city use some of their taxing authority.

**ARCH:** So it's-- it will be a request to the city, not independent, not independent taxing authority.

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**M. HANSEN:** Yes.

**ARCH:** OK. All right. Thank you. And nothing changes that in this-- in any of this bill?

**M. HANSEN:** No, my-- my main goal with this bill is actually to allow business improvement districts to get smaller, easier, so to get-- let property owners get out of the business improvement district.

**ARCH:** Thank you very much.

**M. HANSEN:** Thank you.

**FOLEY:** Thank you, Senator Arch and Senator Hansen. Now, Senator Hansen, if you'd like to close.

**M. HANSEN:** Yes. Just real briefly, since we had a few questions. Yes. So my bill does not necessarily change the formation of business improvement districts, which have been in existence since the 1970s and have-- there's a wide variety of them across the state. I know my district, for example, the University Place Business Association is kind of synonymous with the University Place Business Improvement District. And they do things like come together to provide for a city-maintained public parking lot that is accessible to many other businesses that don't have their own individual parking. What this bill is trying to do is just make it easier so that they don't have to add or subtract properties, to make it easier for the boundaries to change in both directions. Because as I said, right now, they can only expand, they can't necessarily shrink. With that, I would appreciate a green vote on LB68. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hansen. Question before the body is the advance of LB68 to E&R Initial. Those in favor vote aye. Those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 42 ayes, 0 nays on the advancement of LB68.

**FOLEY:** LB68 advances. Next bill on General File. Mr. Clerk.

**CLERK:** Mr. President, LB107 by Senator Dorn. It's a bill for an act relating to cities and villages. It changes provisions relating to plumbing boards and their terms of office, organization, appointment and meetings; changes provisions relating to plumbing licenses, renewal licenses, license fees, and variance fees. Introduced on

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January 10 of last year, referred to the Urban Affairs Committee, advanced to General File. There are committee amendments, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Dorn, you are recognized to open on LB107.

**DORN:** Thank you, Mr. President. Welcome. Good afternoon, colleagues. LB107 was brought to me by the Beatrice city administrator. It is meant to update the statute as it relates to plumbing boards. I introduced a bill last year, was heard before the Urban Affairs Committee. The bill was introduced last year, advanced to General File, and ran out of time last session. LB107 does the following: It lengthens-- it lengthens the term of the office for plumbers on the board from three to four years to more align it with what would typically be a term of a city council or a mayor. It eliminates the requirement that the plumbing board be appointed in August of each year. It eliminates the requirement that the plumbing board meet every two weeks and allows it to meet at least once a year and more often at the call of the chair. It puts cities and village-- it permits cities and villages to apply other applicable regulations, such as if they have a continuing education as part of the plumbing license. It strikes the old language, which has a license fees remitted to the treasurers of a school district and now remits those fees to the city or village treasurer per the Nebraska Constitution Article VII, Section 5. The fee for a plumbing license would now be set by the city council. The current state law sets the fee at \$1 for an annual license and has not increased since the 1960s. Establishing-- it establishes the penalty as a misdemeanor of not more than \$500 and not less than \$50. It also inserts "plumbing" before the word "board"; strikes "outside the corporate limits"; and inserts extra-- "extraterritorial" jurisdiction as it relates to the zoning jurisdiction. This change was made to harmonize language throughout the bill. Concerns were raised at the hearing regarding the frequency of plumbing board meetings and the fees a city or village can charge for a license. Senator Hunt will go into more detail about the amendments to address these concerns. The bill did advance out of committee 7-0.

**FOLEY:** Thank you, Senator Dorn. As the Clerk indicated, there are amendments from the Urban Affairs Committee. Senator Hunt, you are recognized to open on the committee amendment.

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**HUNT:** Thank you, Mr. President and members of the Legislature. The Urban Affairs Committee amendment, AM356, makes two changes to the bill to address concerns that were raised by opponents during the hearing. First, the amendment requires that a plumbing board must call a meeting upon written request of a license applicant, licensee or member of the plumbing board within four weeks of such a written request. Second, the amendment provides that the cost of any licensing fees shall not exceed the cost of the licensing program. So I would ask for your green vote to adopt AM356. Thank you.

**FOLEY:** Thank you, Senator Hunt. Debate is now open on LB107 and the pending committee amendment. Senator Erdman.

**ERDMAN:** Thank you, Lieutenant Governor. Good afternoon. Senator Dorn, if I-- I would ask if you would answer a question or two for me.

**FOLEY:** Senator Dorn, would you yield, please?

**DORN:** Yes.

**ERDMAN:** Thank you, Senator Dorn. Senator Dorn, I listened to your opening comments and you commented about raising the fees and you'd mentioned it had been some time since they'd done that. Can you explain that?

**DORN:** The original bill that we are updating here-- that fee was set at \$1 in the 1960s. That fee has not been raised since then. We had several cities, including the city of Beatrice, that have commented to us they are not following basically state statutes and they are charging a higher fee.

**ERDMAN:** So what does the dollar go for? Is it for the licensing or for every time they make-- do a project or what?

**DORN:** No. It's for the permit to be in that city--

**ERDMAN:** OK.

**DORN:** --to be a plumber in that city. That permit-- however, the city has in their code or regulations to make sure that now the plumbers are registered and part of-- knows their zoning--

**ERDMAN:** OK.

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**DORN:** --regulations or not zoning, building codes.

**ERDMAN:** The plumber-- the plumber pays the fee.

**DORN:** The plumber would pay the fee.

**ERDMAN:** And it's going from \$1 to how much?

**DORN:** It was for \$1. We did not set a maximum amount in here. We put in here in the orig-- in our bill, we put in there that it would be no more than the cost of administering that. Since then, I have visited with several senators that have concern about leaving that open on the top end. I will be glad to work-- I commented to them I'll be glad to work between General and Select--

**ERDMAN:** OK.

**DORN:** --to maybe put a cap in. And that's been part of the conversation. Yes, it would be a cost of administering it, but it would be at no more than a certain dollar amount.

**ERDMAN:** I think that would make sense. An open-ended-- what it costs could be exorbitant in some cases.

**DORN:** Yes.

**ERDMAN:** Yeah. OK. Thank you for your help.

**DORN:** Thank you.

**FOLEY:** Thank you, Senator Erdman and Senator Dorn. Senator Albrecht.

**ALBRECHT:** Thank you, President Foley. I would just like to ask a few quick questions, and I'll kind of talk about them first and then I'll ask Senator Dorn to help me out here. But I did go and visit with Senator Dorn before this. I haven't had an opportunity to contact any of the local plumbers in my area. But sitting on a city council for eight years and understanding that-- that I don't know who is going to decide who sits on this board. I would like to have an answer to that. They don't have to meet unless somebody needs them. But if I needed a plumber tomorrow to come take care of my dishwasher or my washer or dryer or I had a horrible leak that needed to be tended to, and he was someone that maybe isn't registered in my city or county, what would I have to do to get him to be able to come into my area? And I understand that this is a "may." The cities "may" do this, but I can

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assure you they will do this if they can charge. I don't know how a plumber going from job to job to job can get the time or take the time to stopping, make sure he gets a permit from that city to go work on something in their area. Again, I think of myself being out in the rural area and it would-- it would be very difficult. It's tough to build a house where I live because it's hard to find people. But the other thing is-- a fee does need-- it's important to me that-- that we decide as a body here what they can charge. Because, you know, if they have to come to that city to-- and take time off work to go get registered, or can they register online, or-- I'm just concerned that it's off to the races with the fees. And that would concern me. Also, currently, do people actually have educational requirements of their plumbers in the state of Nebraska? I'm not familiar with that or if they do. So, Senator Dorn, if you can just yield to a few questions.

**FOLEY:** Senator Dorn, could you yield to those questions, please?

**DORN:** Yes. Yes.

**ALBRECHT:** OK. In Beatrice--

**DORN:** Yes.

**ALBRECHT:** --the people who brought this, do they currently have a educational requirement of their plumbers?

**DORN:** That, I'm not exactly sure. I did not visit with them about it.

**ALBRECHT:** OK.

**DORN:** That comment in here was in case that city wanted to. One quick comment on this. In the-- in the bill that this is-- built after or whatever, the plumbing guidelines now are for metropolitan-- there's three classes: a metropolitan, a primary, and then other cities. Just because there's the three classes doesn't mean any city has a plumbing board or every city has a plumbing board. That's still up to that city. And then there are different guidelines in their metropolitan, which is Omaha. They spoke to us about the fact that they would like meetings, you know, on a regular basis. So it's some-- it leaves that open up to them a little bit.

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**ALBRECHT:** OK. So if you have in Beatrice, they can't just right now make certain that people are registered or what? What is the issue at hand in Beatrice that this bill would need to be written for?

**DORN:** What is the what?

**ALBRECHT:** What-- what is the problem and why did they ask you to bring this bill? Are they having trouble with plumbers not following regulations or?

**DORN:** Well, because the dollar and then the fines that were in there, some plumbers weren't registering. They did not know if they met-- those plumbers met the qualifications, for instance, to have the license to be a plumber and certain things like that. This doesn't necessarily mean that your family member or something can't go ahead and do something. This is coordinating some of the things that have been going on and some of the requests--

**FOLEY:** One minute.

**DORN:** --that their building inspectors have had about the issues going on in Beatrice. They are charging-- last they told me, \$15 instead of the \$1 fee. So they're going outside of the statutes anyway. And then some of these other things that are having some plumbers that are not registering, doing business on a regular basis in Beatrice, they were doing business on a regular basis in Beatrice. They were not on a register. They did not know if that person was licensed or not. And it's basically so that they have something now to go by. And that's something that would-- their regulations can follow.

**ALBRECHT:** OK. And can we talk about the penalty if they don't get registered? Is that-- did you-- did you delete the penalty or would there be a penalty if they were not registered but were found to be doing business in Beatrice [INAUDIBLE]?

**DORN:** And I know we talked about that and I don't have a good answer for you on that yet. I will-- I will--

**ALBRECHT:** OK.

**DORN:** --find that out between General and Select.

**FOLEY:** It's time, Senators.

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**ALBRECHT:** OK, thank you.

**FOLEY:** Thank you, Senator Albrecht and Senator Dorn. Senator Lowe.

**LOWE:** Thank you, Lieutenant Governor. I'd like to ask Senator Dorn a question if I might.

**FOLEY:** Senator Dorn, would you yield, please?

**DORN:** Yes. Yes.

**LOWE:** Aren't-- aren't all plumbers licensed by the state?

**DORN:** All plumbers are licensed by the state. Yes. But this is to do-- this is to have a permit to be able to operate or to be a plumber in that city so that that city, for example, Beatrice now knows who is permitted to do work in that city.

**LOWE:** I'm trying to think of why that would be a good idea, that we know who's doing business as a business when they don't keep track of other businesses. I mean, we keep track of plumbers and electricians through our licensing and if they see a fellow's name, they could go back and check on their license. I don't know why they would truly need a permit. It just seems like we're doubling down on government here and government overreach of business. I know I voted it out of committee, but just thinking that-- well, anyway--

**DORN:** Could-- could I?

**LOWE:** Yes.

**DORN:** He brought it to me that there is no state licensing for plumbers. So he did what the Urban Affairs Committee there-- there is no state licensing--

**LOWE:** OK.

**DORN:** --with plumbers. So that, I guess that-- and I did not know that beforehand, either or whatever.

**LOWE:** OK.

**DORN:** So that's part of why-- part of what the permitting, at least the way Beatrice explained it to me was, so that they know who is coming into work in their city and also now with their building codes

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so that they're made-- those plumbers are fully knowledgeable and aware of their building codes so that they don't have to come back later and try and correct problems.

**LOWE:** All right. I was under the assumption that you had to have a plumbing license. I see Trevor shaking his head over there, so--

**DORN:** Yeah.

**LOWE:** Thank you.

**DORN:** Very, very good question. I did not know that either. Thank you.

**FOLEY:** Thank you, Senator Lowe and Senator Dorn. I see no other members wishing to speak. Senator Hunt, you are recognized to close on the committee amendment. She waives closing. The question before the body is the adoption of AM356 committee amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please.

**CLERK:** 33 ayes, 2 nays, Mr. President, on the amendment.

**FOLEY:** The committee amendment is adopted. Is there further discussion on the bill? I see none. Senator Dorn, you are recognized to close on the advance of the bill.

**DORN:** I'd like to make one quick comment concerning the fees and a cap on the fees. We will be visiting with several senators between now and Select File and we will have an amendment back when it goes to Select File. Other than that, I encourage a green vote on LB107.

**FOLEY:** Thank you, Senator Dorn. The question before the body is the advance of LB107 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, please.

**CLERK:** 33 ayes, 1 nay on the advancement of the bill.

**FOLEY:** LB107 advances. We'll proceed to the next bill, Mr. Clerk.

**CLERK:** Mr. President, LB9 is offered by Senator Blood. It's a bill for an act relating to political subdivisions; prohibits cities, villages and counties from taxing or otherwise regulating the use of distributed ledger technology. Introduced on January 10 of last year,

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referred to the Government Committee, advanced to General File. I have no amendments to the bill, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Blood, you are recognized to open on LB9.

**BLOOD:** Thank you, Mr. President. Fellow senators, friends all, today I rise to bring forward LB9. Now LB9 is actually a very simple bill that I'm-- may I have the gavel? I can't hear myself think. Thank you. LB9 is a very simple bill that does two things. The first thing it does is define distributed ledger technology in Nebraska statute. Now a distributed ledger is a kind of database that is shared, replicated, and synchronized among the members of a decentralized network. Now you're gonna find a clear explanation in the handouts I provided to you yesterday. The distributed ledger records-- excuse me, the distributed ledger records the transactions such as the exchange of assets or data among the participants in the network. Now every stakeholder within this network acts per a mutually agreed upon contract. Every record in the distributed ledger has a timestamp and a unique cryptographic signature, making the ledger an auditable and immutable history of every transaction in the network. Distributed ledgers use independent computers-- you may have heard them called nodes-- to record, share, and synchronize transactions in the respective electronic ledgers. Why so many people in agriculture, realty, transportation, disaster relief, government, banking, and insurance, to name only a very small amount of people, are interested in this technology is because a distributed ledger oversees and maintains transaction and smart contracts in a decentralized database. All of the information stored on the ledger is saved indefinitely, using an incorruptible cryptographic code known as a digital signature. Now the second thing that LB9 does is amends Chapter 18 and 23-105 to 23-145 in Nebraska Revised Statutes to make sure that cities, villages, and political subdivisions cannot tax, issue fees, or otherwise regulate distributed ledger technology. The bill still allows a state to issue new fees and taxes when it is needed in the future. By limiting who can regulate, the state can adapt quickly to changing business trends. And we all know how quickly technology is moving, not just Nebraska, but around the world. The NCSL is just one organization that has made it very clear that all governments should at the very least investigate these technologies and their application to the provision of their core services. In an era where trust in government is nearing all-time lows and transparency has become a buzzword, digital ledgers can serve as a cornerstone for building

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trust and improving the relationship between the government and the people that we represent. Governments at all levels are now beginning to sort these issues out and states are racing to get good technology legislation on the books. States like Vermont, Utah, Delaware, Nevada, Illinois, and Arizona have all passed similar laws to this bill. So the bottom line is that it won't be long before all of the states have to start making these decisions regarding digital ledgers. But they may have already missed the window of time on some of this technology to define the technology and protect its use. Nebraska residents and their governing organizations can most obviously benefit from this technology, and we should encourage-- excuse me, continue to encourage further collaboration between government, academia and the private sector. Now an additional benefit is that we prepare our citizens for high-skilled and high-paying jobs through this bill. The average blockchain engineer makes up to \$175,000 a year. This helps us retain and attract new residents and, of course, young and qualified residents as well. Digital ledgers are already being used in Nebraska at Innovation Campus at UNL who have been profiting from its many benefits and explored by other organizations like the Farm Bureau and the Farmers Union. Nebraska needs to stay ahead of the curve in respect to technology rather than only being reactive and trying to play catch-up once the floodgates are truly open on this emergent-- on this emerging resource. We must be sure the state is the final word on legislation when it comes to this technology. By doing so, we put out our figurative welcome mat to potential-- potential business startups here in Nebraska, as these entrepreneurs will know that there will be no surprises when it comes to our expectations. This bill was voted out of committee last year without any "no" votes and there was no opposition. It's got something for everyone: less government, no taxation, creating jobs, free market, creating legislation to catch up with technology, and no fiscal note. So I ask that you vote green and help put Nebraska in the forefront when it comes to this technology. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Blood. Debate is now open on LB9. Senator Williams.

**WILLIAMS:** Thank you, Mr. President. Good afternoon, colleagues. And I did talk to Senator Blood in advance to let her know that I did have some questions about this bill, some comments that I think are important. I do serve as chairman of the Banking Committee. We have had legislation coming to our committee before on blockchain and bitcoin. I also have worked my entire life in highly regulated

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industries. And when Senator Blood says there's some-- something in this for everyone, I would say maybe, except for the villages, cities, and counties that we are telling that you can't do anything with this. You can't regulate this in any form. You can't charge taxes. You can't charge fees. And it's us sitting in this room telling those county people and those city people and those village people what they can and can't do. In reading the transcript and having the testimony in the Banking Committee that we have had, and we did two sessions over the last couple of years on blockchain to have people come and explain it to us, it is a very difficult concept to understand. And I sat there with Senator Schumacher in both cases, and at the end of the day, we looked at each other and said, can I walk away from this and explain what this is to anybody else? So my-- my question if-- if-- first of all, would Senator Blood yield to a question?

**FOLEY:** Senator Blood, would you yield, please?

**BLOOD:** Gladly.

**WILLIAMS:** Thank you. Can you explain in a form that we can understand in here what distributed ledger technology is by giving us some specific examples of how it's used?

**BLOOD:** I-- I can. I can also address the regulation part of it. So first of all, I want to be really clear that you understand the blockchain is just one type of DTL [SIC]. So we have to be really clear that we're not talking about blockchain, that we're talking about DLT. A lot of people understand blockchain because that's what bitcoin and other cryptocurrency is actually built on. The way I explained it to Senator Brewer that brought his light bulb on in the committee hearing was utilizing it as a smart contract when they're using DLT. In a smart contract, the people come together and maybe Senator Williams is selling apples-- and I'll try to make this fast, I know this is your time. Senator Williams is-- is selling apples and Hy-Vee wants to buy those apples. They enter a contract together called a smart contract that is based on this technology. What's awesome about it is that you tell that contract, if this happens, and this happens and this happens, and as I explained it to Senator Brewer, it's like dominoes. Bing, bing, bing, bing, bing. We know that he's going to sell the apples and we're going give him \$1,000 for those apples. But if the truck is late because he is late, maybe we'll take 10% off--

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**WILLIAMS:** Could you give me a specific example of how it is actually being used, not a-- not a theoretical thing.

**BLOOD:** That's not theoretical.

**WILLIAMS:** Tell me where somebody is using it.

**BLOOD:** That's how it's being used in smart contracts. So smart contracts-- that's exactly how it's being used. And that's not theoretical. You see that in land acquisitions. And again, what it is, is that all parties get together and that smart contract takes over. And once the first thing happens, it automatically goes from thing to thing to thing until the very end when they get paid. So it's not theoretical. It's happening all over the world. And the reason that we don't regulate it is because, as you know as a banker-- was it banking or insurance?

**WILLIAMS:** Let me move on to another question--

**BLOOD:** All right.

**WILLIAMS:** --because you're-- you're talking about how important this is to a lot of people. And--

**BLOOD:** It is.

**WILLIAMS:** --I'm not gonna say it's never happened before. But if you look at your committee statement, there were no opponents--

**FOLEY:** One minute.

**WILLIAMS:** --there were no proponents and there were no-- nobody testified neutral. So if this is an important thing that we need to be doing, I'm wondering why nobody was there to testify.

**BLOOD:** Because we didn't ask them this time, because we made a circus out of it the first time around and it just confused more people. So this time we felt that people were educated and on topic after bringing it forward in the past and that our chances were better of getting it out of committee, which indeed they were. And perhaps Senator Brewer would want to speak on that.

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**WILLIAMS:** So a question then to follow that up. I think I'm about out of time. I'll-- I'll ask this on the next time on the mike. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Williams and Senator Blood. Senator Williams, you are actually next in the queue. You may continue.

**WILLIAMS:** Thank you. Yes, you talked about-- about the experts and how they would be there. And that's what we had in Banking Committee were the experts. And I think your testimony in reading the transcript was that you-- you told the committee you traveled light this time and felt that by bringing in so many people, the experts in the specific field, that it confused the senators instead of clarifying things. I am taken back by the fact that we would have experts come in that confuse the situation. But you, who are not an expert in this, can present it in such a way that we don't confuse anybody. I am very concerned about that. Can you address-- do you have a comment about that?

**BLOOD:** Are you asking me to yield?

**WILLIAMS:** Can-- would Senator Blood yield, please?

**FOLEY:** Senator Blood, would you yield, please?

**WILLIAMS:** Yes. Would you respond to my comments, please?

**BLOOD:** Yes, most definitely. So I'd like to point out that my freshman year I brought three DLT bills forward and I spoke to pretty much every senator on this floor trying to get their heads wrapped around it. And we brought in experts. And because people didn't understand the basics of how it works, I saw them becoming confused. And to be really frank, when we simplified it and we were asked for an example that you said was only theoretical, but is actually a true example, there were light bulbs that came on and a clear understanding. And I think sometimes when you're immersed in something as your career, that the technical stuff rolls off your tongue while a neophyte like me, who's looking for a clear understanding to explain to others, can maybe explain it in a way that's simpler to understand.

**WILLIAMS:** Thank you for those comments. Senator Erdman made a very intuitive comment yesterday when he asked when we were debating a

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bill, what happens if we don't pass this bill? And I would ask you that question. What happens if we don't pass this bill?

**BLOOD:** Am I still yielding?

**FOLEY:** Yes, you are.

**BLOOD:** [LAUGH] So I-- I like to look at what happens when bad legislation happens, because I think that's a better way to answer this question.

**WILLIAMS:** That's why I'm asking these questions about what I--

**BLOOD:** Yeah, so in New York--

**WILLIAMS:** --consider maybe bad legislation.

**BLOOD:** --in New York, they did not create a regulatory sandbox like what this bill does. And so what they did was there was an exodus of multiple businesses, not one or two, like tons of businesses that participate in this technology that left the state.

**WILLIAMS:** I-- I-- I don't mean to-- to interrupt you, but now you've introduced regulatory sandbox into this discussion--

**BLOOD:** That's what this bill does.

**WILLIAMS:** --which is not in your bill. And we had-- actually had a couple of interim studies. Senator Wishart and I both had interim studies on regulatory sandbox. And certainly this-- this didn't come up in that discussion. What I am concerned with, the-- the bottom line of this, this-- this legislation removes local control. You at many times have been on the floor talking about local control. We are telling our villages, our cities, and our counties what they can't do with this technology, not what they can do with this technology. And under your legislation, they are prohibited from imposing any tax or fee. They are prohibited from requiring any person or entity to obtain a license or a certificate or a permit for distributing this ledger technology. They're also stopped from imposing any regulatory requirements on them. And yet--

**FOLEY:** One minute.

**WILLIAMS:** --they have-- thank you, Mr. President. They have not had an opportunity to tell us why they wouldn't do that. So here we are

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attempting to create legislation to regulate a highly complicated device when we don't even understand it. And I'm puzzled by that. And I-- and I'm not a proponent of standing in the way of technology. But when experts can't explain this and when experts aren't invited to explain this to us, I have some concerns by that. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Williams and Senator Blood. Senator Slama.

**SLAMA:** Thank you, Mr. President. Good afternoon, colleagues. I definitely appreciate the debate and questions that have been brought up thus far on LB9. And I really do appreciate Senator Blood taking the time to explain the difference between blockchain and distributed ledger technology. I think it's been enlightening for all of us. I was hoping that Senator Blood may yield to just a couple clarific-- clarification questions for me.

**FOLEY:** Senator Blood, will you yield, please?

**BLOOD:** I will.

**SLAMA:** Great. Thank you. Senator Blood, are there any examples of distributed ledger technology being taxed in the state of Nebraska right now?

**BLOOD:** Being passed or being used?

**SLAMA:** Being passed. Taxation on distributed ledger technology, which is what this is.

**BLOOD:** Oh, taxed. I'm sorry.

**SLAMA:** Yes.

**BLOOD:** I couldn't hear you. I thought you were saying "passed" and I didn't understand what you were saying.

**SLAMA:** No, taxed.

**BLOOD:** Not that I am aware of in our research, but the DLT that is being used in Nebraska right now is probably not going to be prone to taxation as it will be as it expands.

**SLAMA:** OK. So you couldn't find-- I just have one more question. And you couldn't find any examples of any proposals being made to tax this

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DLT? I understand that it's in its early forms, but have there been any utterings about this being a possibility?

**BLOOD:** Yeah, I would counter that with the states that did it that failed. As municipalities, counties, and the states look for ways to resource new revenues,--

**SLAMA:** Um-hum.

**BLOOD:** --what we're seeing in other states, and that's what we use as an example, is that they race to-- to tax it and regulate it and then they shoo it out of the state as a result. So it's a new technology. No, we've not seen anything that-- and that's not why the bill was created. It was created again, which I hope I get to speak on later, to create a regulatory sandbox to encourage entrepreneurs here in Nebraska.

**SLAMA:** Thank you, Senator Blood. I share several of Senator Williams' concerns with this bill. And I want to make sure that we're not passing legislation in this state that tries to solve a problem that's not there. And I take pause any time we're attempting to tie the hands of local authorities on issues that haven't even become issues yet. So I'm going to continue listening to debate and appreciate Senator Blood again for bringing light to this topic, because it is a very interesting concept that will grow in the future. Thank you.

**FOLEY:** Thank you, Senator Slama and Senator Blood. Senator Blood, you are next in the queue.

**BLOOD:** Thank you, Mr. President. I appreciate the opportunity to speak on some of these issues because I-- I just-- I am always concerned when I hear "the sky is falling" type of responses. So the reason we did not have experts come this time was because we had experts come on the first bills. On YouTube, our press conference is on there that talks about the bills. And there are a long group of experts talking about it in that press conference. So we worked very hard to educate the body and received a lot of resistance because people would say, I can't get my brain wrapped around this, and wouldn't even try to understand, quite frankly. So let's talk about the regulation part of it. So with all this knowledge that we have in the room, we know that in its capacity as a platform for commerce, the Internet is a regulatory matter for the federal government. Again, the Internet is a regulatory matter for the federal government for those not listening

in the aisle here. We can't let municipalities and counties regulate it because it is not for them to regulate. We're not trying to solve a problem that doesn't exist. We're doing exactly what the Governor told us to do today. We're trying to grow our state and keep Nebraska strong. We're trying to keep young people in Nebraska. With all due respect, when we're older and we're unwilling to learn what this really does, we're putting a stop to that future technology, that future growth. And I find that concerning. Now when it comes to taxes, it is not unusual because I guarantee some of the people talking here on the mike have supported business exemptions. So it's very hypocritical to say that, hey, we understand that you want to create a regulatory sandbox where DLT services or products are granted safe harbor, but we want the ability to tax it. You can't have it both ways. I mean, you could, but what statement are you saying? Are you saying that young professionals that support technology and want to come into our state and be successful get a different rulebook than the people that are big corporations, that maybe pay minimum wage, that we give these huge exemptions to, and not necessarily even hiring full-time people? We're not trying to solve a problem. We're trying to put out a welcome mat for more business in Nebraska. And we had an opportunity three years ago when New York State screwed up to bring these people into our state. And that's why they so enthusiastically came and spoke, came to the press conference and-- and supported this bill. And when they asked if I wanted them to come this time, I said, no, let's keep it simple. We are not doing anything that other states are not doing, right? We can't keep hiding our heads in the sand when it comes to technology because we can't understand it. Everybody on this floor is intelligent. You have the ability to learn what it is and what it's about. The vast majority have certainly had me preach to you about it. But if you don't choose to learn about it, why should this bill be doomed because you personally can't get your head wrapped around it? That's not good policy. If you look at any of the policymakers' guides that pertain to this technology, they want you to do enabling legislation, because restrictions show a lack of understanding. And the way this is written is enabling legislation. We are creating a safe harbor so these business professionals can come, start up their businesses. And maybe in the future, the way the bill is written, the state will say, OK, you guys are very successful. Let's sit down and see what we can do to perhaps generate funds--

**FOLEY:** One minute.

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**BLOOD:** --for the coffers. But you eliminate the ability for the Farm Bureau, for the Farmers Union, for the Nebraska Realtors, and they've all talked to me about this bill and I think they wrote letters of support the first time around. They want it in Nebraska and they want it to roam free. Healthcare, insurance, et cetera, et cetera. I'm sorry that-- that people don't get it still, but it's not because it hasn't been explained to them over and over and over again. And it is not the job of municipal levels, county levels to regulate something that is the federal government's job to do. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Blood. Senator Hilgers, you are recognized.

**HILGERS:** Thank you, Mr. President. Good afternoon, colleagues. I heard many things from Senator Blood-- in Senator Blood's opening that pricked my ear, certainly. And among them would be keeping young people in Nebraska and building industry in Nebraska. So I wanted to maybe ask Senator Blood a couple questions about that, if she would yield.

**FOLEY:** Senator Blood, would you yield, please?

**BLOOD:** Yes.

**HILGERS:** Thank you, Senator Blood. I was wondering if we can unpack, sort of, some of your comments as to what kind of-- what kind of businesses are out there that are using this technology?

**BLOOD:** Cargill comes to mind. Cargill, I believe, wrote a letter of support the first time around. They've been very enthusiastic supporters. For those of you that read the newsletters that come in your e-mail, Farm Bureau, they're utilizing that technology right now. And they'd like to see it grow in Nebraska. Hospitals, insurance, transportation, trucking industries are very interested in this. And it's being utilized across-- around the world right now because smart contracts are just so easy to use.

**HILGERS:** Are there-- as I understand it, you would know better than I would since you've been neck-deep in this technology?

**BLOOD:** Hope-- hopefully.

**HILGERS:** This is-- this is a technology, as I understand, is largely used to help facilitate financial transactions, maybe not just financial transactions, but transactions generally, is that right?

**BLOOD:** I would say the vast majority of what I came across in my research was smart contracts.

**HILGERS:** Are there-- are there businesses that focus on, you know, creating these types of-- this bitcoin-- I know in bitcoin, for instance, you can build, you can-- as I understand it, you can have server farms that-- that solve puzzles, that create-- to generate bitcoins and other cryptocurrencies. Is that-- that would strike me as an example of a business that would primarily focus on creating bitcoins or a distributed ledger technology, potentially. Are there businesses like that, or are they just other businesses like insurance or-- or Cargill or others that just use it as a way of processing financial transactions?

**BLOOD:** Processing financial transactions. So you're-- you're talking about cryptocurrency and-- and bitcoin is one of thousands. That's built on blockchain and blockchain is exactly what it says. There's components that are blocked.

**HILGERS:** Uh-huh.

**BLOOD:** But it's just like-- there's sticky notes and there's Post-it notes. All sticky notes aren't Post-it notes. Bitcoin is not DLT, but it's built on DLT.

**HILGERS:** OK.

**BLOOD:** Does that help?

**HILGERS:** No, that-- that helps. So the-- you reference a company in Lincoln that's using it. Are they using these or building a business around it?

**BLOOD:** So we actually had young entrepreneurs. I don't know if you remember the press conference we had the first time we brought the bills around, but it is on YouTube. And they are using it. But they wanted to expand and they were scared to expand in Lincoln because we had not defined it in statute and we had not put forward our expectations in statute. And they were very concerned because Nebraska tends to be conservative. And not always having clear understandings,

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they were concerned that if they expanded and then we did something like what New York State did, they'd have to close up shop.

**HILGERS:** And what did New York State do?

**BLOOD:** Regulated and taxed.

**HILGERS:** Are there-- but Linc-- this company was in Lincoln or the company you referenced in your opening is in Lincoln?

**BLOOD:** There are multiple companies in Lincoln and I'm drawing a blank on the names.

**HILGERS:** Is there? Is there any city, Lincoln or otherwise, that have-- have actually put a tax or regulation or anywhere in Nebraska that's actually had a tax or fee or permit requirement for-- have a permit requirement for using this technology?

**BLOOD:** No, but I do know that there are cities like Omaha that are exploring the utilization of D-- DLT. So I think we're in the infancy, and we have the opportunity to put it in the statute so we can watch it grow. And so I hear what you're saying. We're not trying to solve a problem. We're trying to kickstart technology business here in Nebraska, because we are the Silicon Prairie, right?

**HILGERS:** That's right. Thank you, Senator Blood. Would Senator Williams yield to a question or two?

**FOLEY:** Senator Williams, will you yield, please?

**HILGERS:** How much time?

**WILLIAMS:** Yes, I would.

**HILGERS:** How much time?

**FOLEY:** One minute.

**HILGERS:** One minute, thanks. Senator Williams, just briefly, I'll just give you my time. Can you-- I understood from your comments that you've had this technology. You've had bills related to this technology in your committee. Could you speak to some of the issues and concerns that have come up in your committee, please?

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**WILLIAMS:** We had several bills two years ago in the committee that were, again, ideas about whether this industry needed to be regulated at all. And it wasn't certainly at the local level, like this legislation is trying to do. The committee heard those pieces of legislation, pros and cons. We had a large amount of testimony on both sides, and it was, as Senator Blood has said, confusing. And therefore, the committee, at the end of the day, with the weight of the evidence, pro and con, took no action on those pieces of legislation.

**HILGERS:** Thank-- thank you, Senator Williams. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hilgers. Senator Brewer.

**BREWER:** Thank you, Mr. President. Well, yes, this did come to my committee. And if I remember right, I was in Banking when it came before Banking. And even through all this, I still do not fully understand it. And I know Senator Blood is discouraged and disappointed that I'm not quicker to understand this. But let's suffice to say, I can fly a lot of different helicopters and speak other languages, but I do not understand this as much as I would like to. So if Senator Blood would yield to some questions [INAUDIBLE]--

**FOLEY:** Senator Blood, would you yield, please?

**BLOOD:** I would be happy to yield.

**BREWER:** All right. The traditional question we ask with bills is, what bad thing is happening that will cause us to need this bill?

**BLOOD:** You know, I have to be really honest. I don't base legislation on what bad things have happened or are happening because it creates like a knee-jerk reaction and bad policy. I would have to answer this in the fact that bad things happen when you don't put good policy in place that embraces technology.

**BREWER:** Well, I guess you haven't answered my question, but you're not going to on that angle. The part about the federal government should be in control and not local control, explain that a little better to me, because this is so hard and so big that the local control piece of it, they piecemeal this up and-- and derail it.

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**BLOOD:** N-- no. I assume I'm still yielding.

**BREWER:** You're yielding.

**BLOOD:** All right. So, no, that's not what it does. And that's-- that's what's sad about spending so much time talking to people and people only hearing half of what I say. It's-- in its capacity as a platform of commerce, which is what this is, the Internet is a regulatory matter for the federal government. It's not for us to regulate. And to say that this bill regulate it, I think is confusing by the way. We are-- we are saying that you cannot regulate, cannot tax, because it is not our job at the municipal level. And I come from a municipal background. It's not the job at the county level. It is the job of the federal level to regulate anything that has to do with platform commerce on the Internet. That's just a fact.

**BREWER:** All right. Well, with that fact, I'm struggling to understand why we're worrying about it at state level if this is a federal issue and we shouldn't be touching it and we're not going to be concerned about local control. Yielding the question.

**BLOOD:** So I hear what you're saying but again, you're confusing the two issues. So we're talking about regulation. So it is the federal government's job to regulate, but it is our job to set forward good policy that embraces new technology, that lets people know that when they come to Nebraska, we're not going to tax it, we're not going to try to illegally regulate it like New York State did, and that we welcome their business here in Nebraska. That's all there is to this bill. To say that there's anything else to this bill is-- is silly. And-- and quite frankly, the municipalities and the counties were both informed of this bill, because if anybody who has ever worked with me, they know I do stakeholder meetings. Nobody came forward against this bill. Just because we didn't include them in the hearing doesn't mean that they had it-- did or did not take issue with it. They were informed. And I don't see NACO lined up out there, do you? I don't see the League of Municipalities lined up out there. So we keep talking on their behalf. But where are they if they are against this bill?

**BREWER:** All right. Well, thank you, Mr. President.

**FOLEY:** Thank you, Senator Brewer and Senator Blood. Senator Moser, you're next in the queue.

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**MOSER:** Thank you, Mr. President. I was wondering if I might be able to ask Senator Blood a few questions.

**FOLEY:** Senator Blood, would you yield, please?

**BLOOD:** I would be happy to yield.

**MOSER:** So who is the impetus behind this bill? Is this something that you came up with? Is it something that businesses brought to you?

**BLOOD:** Senator, when I became a senator myself, the first thing I did was start researching what was going on across the country: the good, the bad, the ugly. This-- I originally brought three bills forward, and to be really frank, that was overkill and learned my lesson. And wanted to know out of the three, what's the most important? But when I dropped the bill, people lined up to e-mail and call us and they're like, we're so glad you're bringing this forward. Nebraska's so far behind when it comes to laws that pertain to technology. Thank you for bringing this forward. We were enthusiastically greeted. And to be really frank, out of those three bills, the one that had the issue was the one that pertained to the dark web and keeping bad guys at bay, but it had a lot of opposition. So the good bill is this bill. And all it does is define and ask people to let it flourish. There's nothing more to that bill [INAUDIBLE].

**MOSER:** Let me ask you a different question. How do you anticipate a city would even detect that businesses are using this technology to-- to place orders or transfer funds? If-- if it's able to be done anonymously, how would a city tax it?

**BLOOD:** Well, first of all, if you read the government magazine that comes into your e-mail every week, you'll see that municipalities and counties and states are very aware that this is being utilized for smart contracts. So from-- from land sales to farm sales to transportation, they know that this is going on and it's growing because it's public information. So it's not a big secret.

**MOSER:** But these people who are using this technology would have to self-report that they're using this technology if a city wanted to tax it?

**BLOOD:** I-- I think when you do a land acquisition, it's not self-reported. Don't you have to report it to the county?

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**MOSER:** Well, how would you know how the funds were paid? On a land transaction, it typically says for \$1 and other consideration we grant and then they give you title to the land or you get a title insurance policy for it. It doesn't say how it was paid.

**BLOOD:** So that would be part of the smart contract because it is considered law in your state. And so part of that smart contract would be after the funds are transferred and after the transaction is made, any papers that need to go to the local government or state government would then be part of that smart contract, which is what makes it so awesome because it's not people in rooms going through filing cabinets. It takes the people out of it and makes it about science and it makes it effective. And it's going to ultimately save government up to 50 percent on some of these types of transactions in the next decade.

**MOSER:** So would you say that not taxing this technology legitimizes it, guarantees that it's fair and honest, or?

**BLOOD:** I don't understand your question, Senator. Can you phrase it a different way?

**MOSER:** I don't know how I can say it any simpler.

**BLOOD:** OK. So are you-- so if I hear you correctly, you say that-- do I believe that it legitimizes the practice if we don't tax it? Is that what you're asking me?

**MOSER:** Do you think that this bill legitimizes the business in the form of-- of data transfer, money transfer between entities that have no nexus, no business in this-- in the area where-- I mean, this all happens kind of out in the ether somewhere. I don't know that you ever really take possession of the money. Isn't it--

**FOLEY:** One minute.

**MOSER:** --held in--

**BLOOD:** Yeah, you don't take physical position-- possession of the money, but the money goes where it needs to go.

**MOSER:** OK.

**BLOOD:** And you do that through the smart contract.

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**MOSEER:** All right. Well, anyway, thank you. I appreciate you answering those questions.

**FOLEY:** Thank you, Senator Moser and Senator Blood. Senator Hunt.

**HUNT:** Thank you, Mr. President. I wanted to stand up for a minute and talk about why I'm supporting this bill, because it took me a long, winding road to get there. And from the conversation I'm hearing, a lot of people are on that road. I'm not hearing a lot of opposition, but just a lot of questions. So I wanted to talk about how I got there and why I'm on board with this. It's enabling legislation. It's not reactive. I think it's a very good thing for our state when we can do something proactive to support business, instead of always reacting to a problem after the fact. It's a free market bill. There's a new market that not a lot of us understand that's based on this type of technology. And that, for Nebraska, is a business incentive. That is something that is going to make businesses take notice that we have this permissive language in our statutes that we have passed this enabling legislation. And once we pass this bill, it's going to be in the news. It's gonna be, you know, the talk of all of the startup community. And everybody is gonna know that we have this in Nebraska and it is gonna be a big open sign for our state. And I think that's a really good thing. It's supportive of entrepreneurship and new business owners in a modern economy that we have today that we don't have to understand in order for it to be growing and to be growing without us, unfortunately, if we don't pass legislation like this. It is-- it is new for many of us. It's hard to understand. I agree with what Senator Blood said, that it's not impossible to understand, however. And at the very least, I would ask you, colleagues, to move this to Select File, to take some time to look into what this technology is, maybe have some private conversations with Senator Blood and her staff who know a lot about this technology. And I-- I'm surprised to hear some of you, if you say you do want to tax something, if you say that this is new technology and you think it needs to be taxed when what we could be doing is something very permissive that allows entrepreneurs to, you know, basically break into a new industry that's going to be new and important for our state. In the future, I'm also supporting this because I think that in the future, in terms of revenue, if we see that a ton of businesses have come to Nebraska and they're all benefiting from this law and they're not taxed or regulated, you know, and the federal statute permits and it's something that we can end up regulating, I think that that's something that we should do down the road. That might be a

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problem for future legislatures after we open this up for people to grow in Nebraska and do their own business here through this. So that is the road I came to. I'm supporting this because it's a free market bill. It's a business incentive. It's going to grow Nebraska and it's going to keep young people here who are the technology entrepreneurs who are experimenting with this technology now. You don't always have to be solving a problem through legislation. This does solve a problem because it anticipates a problem, which is more people leaving our state because they can't grow businesses like this in Nebraska. That's why I'm supporting it. And I would yield any of my remaining time to Senator Blood if she would like it.

**FOLEY:** Thank you, Senator Hunt. Senator Blood, 1:50 if you care to use it.

**BLOOD:** Thank you, Senator Hies [SIC], for that-- that very concise summation. Thank you. You know, we have a tendency sometimes in this body when we don't understand something to just kind of dig in our heels, not just on this bill, but other bills as well. And I don't think I've ever heard on this floor ever once what bad thing is going to happen, what bad thing has happened. I don't create legislation based on feelings like that. I create legislation that pushes our state forward, that keeps young people in our state, that shows technology, businesses that pertain to technology, that we have a clear understanding of what their needs are. Ten years from now is too late. If you are willing to give these other states--

**FOLEY:** One minute.

**BLOOD:** --these businesses and open the door to them, fine. But when Werner comes knocking on your door, when Cargill comes knocking on your door, the Farm Bureau, the Farmers Union, and they're out in the Rotunda, I think Farmers Bureau is today, ten years is gonna be too late. I am happy to sit down with each and every one of you that has concerns about this legislation. And I will bring in experts if that is helpful to you. But I'm telling you, this is a good bill and I need your support. And I'm hoping you give me the opportunity to move on to the next round, because I guarantee we can answer all of your questions. And I would be surprised if you didn't help us grow our state and keep Nebraska strong, as the request was in the speech today. Thank you, Mr. President.

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**FOLEY:** Thank you, Senator Blood. Senator La Grone.

**La GRONE:** Thank you, Mr. President. So looking at this bill, I was the one not voting in committee, and I want to talk about a little bit about why. I completely agree with Senator Hunt and Senator Blood. There's no problem bringing preventative legislation, bringing legislation that prevents a problem from occurring rather than one has necessarily occurred. But the reason where I'm having-- where I'm not to yes on this bill is the issue as it relates to federal regulation in this environment. And as Senator Blood has pointed out, this-- the Internet is primarily-- is an area where it's the federal government's regulatory regime that really governs. And so I'm a little confused as to how-- why the state would need to be doing anything if it's already prevented by the federal government. Because if the federal government has a regulatory scheme that prevents stuff like this, then anything we would do would be preempted anyway. So I was just wondering if Senator Blood would yield to a question on that topic.

**FOLEY:** Senator Blood, would you yield, please?

**BLOOD:** I'd be happy to.

**La GRONE:** So, Senator Blood, you mentioned how New York started taxing these and this type of technology, and therefore there was technology that moved out of the state. Is that correct?

**BLOOD:** I'm sorry, can you repeat that?

**La GRONE:** So you mentioned that New York started taxing this technology. And so you saw a lot of these companies no longer do business in New York.

**BLOOD:** Right. It was national news. There was a huge exodus.

**La GRONE:** So where I'm confused is-- can you discuss a little of the federal regulatory regime in here and why New York was even able to levy those taxes?

**BLOOD:** Because like many states that have big populations and progressive leadership, they tend to think they know what's best for everybody, as opposed to a more conservative state like Nebraska. And they kind of went out into the weeds and did whatever the heck they thought they should.

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**La GRONE:** Well, I get that point, but I'm saying as it relates to the federal regulatory scheme, what does the federal government say about this type of technology and how it should be regulated or not regulated?

**BLOOD:** So the information that I got is actually from federal resources. And their policymakers' guide says that in its capacity as a platform for commerce, the Internet, when it pertains to commerce, is a regulatory matter for the federal government. And so what I found when I read through their hearing transcripts were-- which were crazy-- they made laws not having a keen understanding of what this technology does.

**La GRONE:** When you say-- when you say "they", are you talking about federal government or the state of New York?

**BLOOD:** I'm sorry. Say it again. I'm having trouble hearing you. You're kind of mumbling.

**La GRONE:** When you said they made laws, were you talking about the federal government or the state of New York?

**BLOOD:** No, I'm talking about the state of New York. And I keep using that as an example because that was the most tragic one.

**La GRONE:** And that's totally fine. I'm just trying to keep those two clear. So I'm still confused. What does the federal government say in terms of regulation about what-- how this technology can and cannot be regulated?

**BLOOD:** In reference to the commerce, they ask that we make it clear that we can't regulate it at this time.

**La GRONE:** So if the federal government is preventing these regulations, why is something like this even necessary? Why wouldn't a company, let's say hypothetically, give you a hypothetical-- let's say there's a town in Nebraska that decides to tax this technology.

**BLOOD:** Right.

**La GRONE:** Why wouldn't a company that then had those taxes imposed upon it just sue and say, that regulation is unconstitutional under federal preemption doctrine?

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**BLOOD:** Actually, there were lawsuits, but that's a really good question. So-- so what it comes down to is the industry and the policymakers' guide that's been provided to the federal government. And in that, they're very clear that they would like to see states set policy that, again, creates a safe harbor for this technology. And as it expands, the federal government will likely set-- step in and bring in more regulation. But at this time, they feel it's in its infancy and that what states can do is to nourish it and help it grow so it expands across the United States.

**FOLEY:** One minute.

**La GRONE:** OK. Thank you, Senator Blood. Colleagues, I'll just remain not voting on this, because I really think this is a federal issue. And so as it comes to this, whether or not municipalities should be doing this: no, they absolutely shouldn't. But I don't think we need to pass legislation that has no effect because it's already preempted by what, as-- as I understand it, based on that conversation, what the federal government's doing. Thank you, Mr. President.

**FOLEY:** Thank you, Senator La Grone and Senator Blood. Senator Hilgers.

**HILGERS:** Thank you, Mr. President. Good afternoon, colleagues. Again, I'm not-- this is the last time I'm going to speak on this. I was wondering if Senator Williams would answer a question or two.

**FOLEY:** Senator Williams, would you yield, please? Senator Williams, would you yield, please?

**WILLIAMS:** Yes, I would.

**HILGERS:** He didn't even know who was asking to yield. Senator Williams, thank you. So when-- the last time I was on the mike, I was asking you a question-- I ran out of time-- regarding-- you were referring to some discussion that was in the Banking Committee on bills like this. And what I had heard from you and I wanted to see if you could expand a little bit is that there were bills similar to this that were-- that were before Banking and you-- and Banking Committee decided not to act upon them. Is that right?

**WILLIAMS:** That's correct.

**HILGERS:** Could you describe that a little bit more, please?

**WILLIAMS:** Yes. We had a couple of different bills that were introduced that came to the committee that were in the form that they were trying to be sure that we were not a state that put undue regulation on new technologies. We have, as Senator Blood has always taught, been an opening state, try-- tried to do that. People came and testified in-- in great numbers at that hearing. We decided after that to hold two different training sessions with the Banking Committee and invited experts on all sides of the issue nationally and those that are actually doing the business. And there was one that happens to be a customer of mine from Gothenburg, that is using this technology correctly-- was there to testify. And at the end of the day, the committee had a better understanding of what this type of technology is and did not feel they wanted to stand in the way of this technology coming to Nebraska but were very uncomfortable in passing legislation that would be on the books to regulate something that we didn't fully understand.

**HILGERS:** Thank you, Senator Williams. Colleagues, I ultimately won't be able to support LB9. I sit on the Government Committee. I-- I appreciate the description of the work that the Banking Committee done-- has done on this particular issue. I understand what Senator Blood is trying to do with this particular bill. I support the long-term goals of this particular bill. But ultimately, the Government Committee, we didn't have nearly the benefit of the type of information expertise that was weighed by the Banking Committee. And when they had that information and expertise and they deliberated, they decided not to move forward. And so that-- I will not be supporting LB9. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Hilgers. Senator Williams.

**WILLIAMS:** Thank you, Mr. Chairman. And this certainly will be my-- my last time on the mike, because I appreciate sincerely Senator Blood bringing this bill, and I believe she deserves to-- to close and have-- have a vote on the bill. I have been a person that has promoted technology from not only my time here but before that. I serve on the Board of Directors of Innovation Campus here in Lincoln and have from the beginning. As I mentioned when Senator Hilgers was asking me a question, I have a customer that uses in some depth this technology. It's not just bitcoin technology. It's distributed ledger technology. It's broader than that. My big concern and why I cannot support this bill is that it is a technology that is growing. It is a technology that is changing. And I believe in local control. And we at the end of

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the day are telling our cities, our counties, and our villages that they can't regulate this in any form. I would also say that we are moving forward as a state. We have looked at different types of sales tax exemptions, as Senator Briese talked the other day. We have a changing economy where we're much more based on services and there may be a time that we begin taxing services. I would question whether if we pass this legislation, we have simply carved out this type of service technology from future taxation in the form of sales tax. That would be a question that I would really have also with this if we move forward. So I-- I think that-- that for me, the time is not there. I appreciate Senator Blood bringing this bill and her passion for it, but I will not be able to support the bill. Thank you, Mr. Chairman.

**FOLEY:** Thank you, Senator Williams. Sen-- Senator Blood, you are recognized.

**BLOOD:** Thank you, Mr. President. I just-- I have to clarify. We keep saying that this bill regulates-- it doesn't regulate. It defines-- defines what the technology is in statute, and then what we're doing-- and I just got a text from one of the people here who actually pertain to who we're talking to-- says, simplify the technology, explain the need to protect businesses who want to come here and do business. The bill creates a greenhouse for businesses who utilize said technology to operate in Nebraska. Quite clear of what we're trying to do. And if you're stuck on the part that has to do with the local control, what if we amended that out and kept-- at least put the definition in state statute? I'm not sure what the issue was with that part of it. We keep saying we're trying to regulate. We're not trying to regulate. Again, we're trying to create a safe harbor for business startup. And I took it really seriously when we were challenged as freshman senators to find creative ways to bring business to Nebraska that didn't come out of our pockets. And this was one of the solutions that I came up with. And yeah, I do feel really passionate about it because I see it working in other states and I see them making money because of it. And if you read the bill, you actually read the bill, you'll see that we do allow the state to revisit this. And maybe after this does begin to grow and does flourish, we can include it with taxation. But why would you want to tax something in its infancy? You give huge businesses tax incentives that make millions of dollars for themselves. But here we have entrepreneurs, the entrepreneurial spirit, young people who really want to do well in Nebraska, and we're not willing to support that. And that for me is really hard. You're having trouble getting your head wrapped around the technology? I'm having a hard time

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getting my head wrapped around that reasoning, because we can do better when it comes to young people. The only problem I'm trying to solve is how come we can't bring young people to Nebraska? How come we can't keep them in Nebraska? And when we do, where are those good-paying jobs? Again, technicians that do this start out at \$175,000 a year. That's not chump change. And you can live really well in Nebraska. But more than that, I can't even begin to tell you the weeks of research that went into this, and I crafted what I truly believed was the best bill. So can we ignore it? We most definitely can ignore it, just like we've ignored things like fantasy sports. Let it go on and let them do whatever the heck they want and let them make money. And then when we do want to regulate or tax them, we come back to them and say, hey, we know we turned a blind eye to everything that you did, but now we want your money. Why wouldn't we want to embrace them and bring them to the party from the very beginning? And so if you have issues with the bill, let's work on it instead of just saying, I can't support this bill. Help me get it through the next round. Again, I remember Senator Groene telling me at one time that he was behind this bill because it's about free market. And I don't know if he's changed his mind since then. And a lot of senators that previously told me they supported this bill and had no issue with it, all of a sudden have red flags up. There's only two things this bill does: defines and asks local government to let it flourish for now. But the bill again says that the state can come back and revisit it and plan accordingly. And I think those are fair requests. And I think that, or I know, that in Nebraska we can do better. We have a lot of smart young people here--

**FOLEY:** One minute.

**BLOOD:** --in Nebraska. Why wouldn't we want to create these job opportunities-- opportunities for them? Why not create safe harbor? Why not let them come and start their business and hire employees and grow? And by the way, when those people come to Nebraska, they're paying taxes. They're buying homes. They're paying payroll taxes. So we're missing out on opportunities to grow our coffers as well. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Blood. Senator Slama.

**SLAMA:** Thank you, Mr. President. I'm standing now in opposition to LB9 just on the basic question that I believe has been unanswered thus far as to why this bill is necessary. And I just have a few points. And

then for the sake of everyone, I'd like to read through what this bill does and explain what distributed ledger technology is, just so that we can all be on the same page when we do take a vote on this, so that we can't use the excuse that we don't understand this concept. So first off, we don't have any examples of this tax even being proposed or regulations being imposed by local entities in Nebraska, period. It just hasn't happened. Second, there was no testimony on this bill in committee. I understand that a previous hearing had a big turnout. But when there's not even a letter submitted in support of a bill, I struggle thinking that it-- this bill is as important as it's being played up to be. Three, I'm a young person. There are several other young people on the floor. I think we can all agree, regardless of party affiliation, that regulations or lack thereof on distributed ledger technology is not a reason why young people are choosing to leave the state or come to the state. For going back to the idea that we just don't understand this concept, so we should advance this bill from General File to Select File so that we can learn about this concept, that's unacceptable to me. So I'm going to take some time just so that we can all have a quick briefing again on what this technology is. This is an article from the World Bank and I think it's very helpful. So blockchain-- this was published April 12, 2018-- blockchain is one type of distributed ledger-- I think we've got that clear-- distributed ledgers use independent computers, so referred to as nodes, to record, share and sync transactions in their respective electronic ledgers, so instead of keeping that data centralized in a traditional ledger, blockchain organizes data into blocks which are then chained together in an append-only mode. So Senator Blood's handout has a chart that I think is very helpful in understanding the difference between a centralized ledger and a distributed ledger. Blockchain/DLT are the building block of Internet of value and enable recording of interactions and transfer value peer to peer without a need for a central coordinating entity. Value refers to any record of ownership of asset, for example, money, security, land titles-- you may be familiar with bitcoin-- and also ownership of specific information like identity, health information, and other personal data. Distributed ledger technology could fundamentally change the financial sector, making it more efficient, resilient, and reliable. This could address persistent challenges in the financial sector and change roles of financial sector stakeholders. DLT has the potential to transform various other sectors as well, like manufacturing, government financial management systems, and clean energy. Since this technology is still nascent, the World Bank Group

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doesn't have general recommendations about its use for international development. We are in dialog with standard setting bodies, governments, and central banks to monitor research and pilot applications based on blockchain and DLT. I think that's a pretty good overview of what distributed ledger technology is. I again thank Senator Blood for bringing this discussion to the floor. I hope we've all learned a little bit about what blockchain and distributed ledger technology is. But again, just to be clear as to--

**FOLEY:** One minute.

**SLAMA:** --what this bill does, if you do read the bill, which I'm hoping you all have at this point, this bill (1) defines DLT in statute, and (2) it also has two sections, one for cities or villages and one for county board, saying that those entities shall not impose any tax or fee on the use of this technology, require any person or entity to obtain from the city or village any certificate, license or permit to use DLT or impose any requirement relating to the use of distributed ledger technology by any other person or entity. Again, I think this is something that's handled well on the federal level. I just don't see the need for this bill right now. And as such, I'm standing opposed to LB9, but am very grateful to have had this opportunity to discuss DLT on the floor.

**FOLEY:** Thank you, Senator Slama. Senator Pansing Brooks.

**PANSING BROOKS:** Thank you, Mr. Lieutenant Governor. Good afternoon, Nebraskans. Our state's unique motto, equality before the law, is-- is equality before the law. So-- so know that whoever you are, wherever you are on life's journey, and whomever you love, we want you here. You are loved. Now to LB9. I just wanted to ask a couple questions because, again, I'm trying to get up to speed. It reminds me when I was talking to Senator Wishart a little bit of the discussions we had on autonomous vehicles and the fact that it took us quite a while to get up to speed on a lot of that. And people were like, oh, gosh, this is new technology, we shouldn't do it. We shouldn't be-- we shouldn't be first out of the-- out of the barn. How's that? That's my little ag gesture for the day, anyway. So everybody was all concerned about it and goodness knows, the sky has not fallen with the passage of that bill. And we do look forward-thinking and willing to at least be sort of forward in our economic development and our stances. So my question

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is, when I think about it, Senator Blood, would you answer some questions?

**FOLEY:** Senator Blood, would you yield, please?

**BLOOD:** I'd be happy to do so.

**PANSING BROOKS:** So, Senator Blood, this is another form of currency in a way. Is that correct?

**BLOOD:** Actually, that is incorrect.

**PANSING BROOKS:** OK.

**BLOOD:** So-- and that's been one of the common questions I've had to answer over and over again, is that a lot of people understand bitcoin and other cryptocurrency because that's just one of thousands, is built on blockchain technology. But as I said earlier, blockchain and DLT are like the difference between a sticky note and a Post-it note. Blockchain is DLT, but DLT is not blockchain. And so it is-- it is-- is not about cryptocurrency really. DLT is about ledgers that pertain to financial things, that pertain to transportation, that pertain to health, and depend and-- and-- to ag, actually got a great--

**PANSING BROOKS:** OK. Excuse me.

**BLOOD:** --message from an ag person.

**PANSING BROOKS:** So-- but it is a way to pay for things. If-- if I'm misusing the term currency, it is in the general knowledgeable realm of paying for something. And if it's not--

**BLOOD:** It is.

**PANSING BROOKS:** --exactly. I'm not saying it's a coin like a real piece of money. I'm saying it is a way to pay for something.

**BLOOD:** It is if that's in your contract--

**PANSING BROOKS:** Yes.

**BLOOD:** -- and payment is part of it. It is indeed. And to be really clear--

**PANSING BROOKS:** I could pay for something--

**BLOOD:** -- you still pay taxes on whatever you're buying.

**PANSING BROOKS:** OK. So I could pay for something with a horse if I had a horse. If I worked out the deal in the contract, I could say, OK, I'm going to pay for your services with my horse. So, yes, the horse is not currency, but it is the form of way that there will be a payment in the transaction. Is that correct?

**BLOOD:** That is correct. And every part of the transaction would be included in that smart contract. And it starts with whatever the first request is, which is I would like to-- we'll say, ride your horse. I'd like to ride your horse.

**PANSING BROOKS:** OK.

**BLOOD:** And if I ride that horse, I will pay you \$20. And if I pay \$20, it'll go into your bank account. If it goes into your bank account, it goes in on this date. That's why I say it's like dominoes. A smart contract starts at A and ends at Z.

**PANSING BROOKS:** So OK. I just want to ask more questions.

**BLOOD:** Sorry. I'm sorry.

**PANSING BROOKS:** So what I'm-- what I'm interested in is-- we don't tax currency itself.

**BLOOD:** Right, valid point.

**PANSING BROOKS:** We tax-- tax what the currency buys.

**BLOOD:** Yes.

**PANSING BROOKS:** We tax what the cur-- or if the currency-- if I worked for the currency, we tax that currency as I make that income. So I am looking at it and you're saying that the communities can't tax it. But you're saying that it can't tax it for taxation sake alone. If you buy something with that currency, is that a taxable transaction?

**BLOOD:** Yes.

**FOLEY:** One minute.

**PANSING BROOKS:** Yes. So that's where the rub is. People aren't understanding. There's-- I think people are thinking, well, gosh, if I use-- if I use actual money, I have to pay taxes or sales tax or property tax, whereas if I use this bitcoin or whatever kind of currency it is-- I'm sorry, crypto--

**BLOOD:** That's all right.

**PANSING BROOKS:** --currency or-- I'm sorry, ledger changed, anyway, I'm-- I'll get to it. But anyway--

**BLOOD:** Close enough.

**PANSING BROOKS:** --with that, there are still sales taxes that would be levied or property taxes that would be levied with those purchases. You are not exempting this form of transactional currency from any kind of just normal taxation that we're used to.

**BLOOD:** That would be correct.

**PANSING BROOKS:** And so as you say, it is a way to bring business--

**FOLEY:** That's time, Senators.

**PANSING BROOKS:** --and look again to be more forward-thinking in our state. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Pansing Brooks and Senator Blood. Senator Moser.

**MOSER:** Thank you, appreciate-- appreciate the opportunity to discuss this bill. I was wondering if I could ask Senator Hilgers a question or two if he would respond, please.

**FOLEY:** Senator Hilgers, would you yield, please?

**HILGERS:** Absolutely.

**MOSER:** So I was having a little discussion with my attorney friend here while some of the others were talking and I was asking him about taxation. It was my understanding that we authorize states and counties and cities, not states-- cities and counties to institute taxes. But we have to give them permission in order to do it?

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**HILGERS:** So Nebraska is a Dillon's Rule state, which means, generally speaking, that the cities only have the authority that the state expressly gives those cities and villages. So there's at least an argument to be made, and I haven't researched this in particular that-- I think there's an argument to be made that potentially they wouldn't have the authority to tax-- levy a tax of this kind even if there was no statute either way, unless there was a statute of explicitly permitting them to do so.

**MOSER:** So if they can't institute this tax anyway, then this bill is really fixing a problem that doesn't exist?

**HILGERS:** If that is true-- I want to be clear, I haven't researched that particular issue, but if that is true, then this-- then the-- a restriction on it would be unnecessary, in my view.

**MOSER:** Yeah. Well, I've just-- I was thinking back from my days in local government and how, you know, we did budgeting and taxation and we didn't invent our own taxes because we needed authority from the state as we-- that was my understanding. And I'm not an attorney. So that's why I kind of asked the question. All right. Thank you very much. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Moser. Senator Crawford.

**CRAWFORD:** Thank you, Mr. President. Good afternoon, colleagues. And I want to thank Senator Pansing Brooks and Senator Blood for their-- for Senator Pansing's great questions and Senator Blood's answers, because that was really the avenue that I was going to go down as well, just to clarify what we are talking about in terms of taxation and regulation and-- and what we're not discussing in terms of taxation and regulation. As I talked to Senator Blood before this bill came up, for me, my biggest concern about the bill at its outset was a general concern about preemptive bills. And I can-- I am concerned when we at the state decide there are certain things that we're not going to allow cities or counties to do. And so in order for me to get behind a bill, I have to be very-- there has to be a high bar in terms of my comfort level with saying that this is an OK preempt-- preemption, because I'm-- there are many preemptions on which I am not comfortable. And so there are certain things that make me more comfortable with this, that make me comfortable saying that LB9 is appropriate as a preemption bill. And one of them is, as Senator Blood has noted, that there was no concern raised on the part of the League

of Municipalities or the-- or Nebraska Assoc-- Nebraska County Association in terms of this bill. So it does not appear to be that they have a concern about any regulations or taxation that they're planning or wanting to see or see in their cities on this front. I do also recognize that it is very much a prevention bill. So it's very much getting out in the front. And it's also very much a symbolic bill. And as Senator Hunt noted, by passing this bill, we're sending a message and we're sending a message about how we're as a state wanting to be open to technology and open to these start-ups. And again, I think that it does send an important message and it will be a part of what goes out in those news outlets and social media outlets. And so it will be an important part of spreading the message that Nebraska is open for this kind of startup business. I also wanted to clarify with Senator Blood the fact that what we're talking about here is really a means of a transaction and not that we're doing anything to limit the ability of cities or counties to regulate or to tax actual goods and services that might be transacted. So if Senator Blood would yield to a question, please? If Senator Blood would yield to a question, please.

**FOLEY:** Senator Blood, will you yield, please?

**BLOOD:** I'd be happy to.

**CRAWFORD:** Thank you. So I just want to clarify again for the record and for our colleagues. We're talking about ruling out regulation and taxation on something that facilitates transactions. Is that correct? Do I have a correct understanding of that, that this is a met-- a mechanism to facilitate transactions, but where they are still able to tax and regulate those actual transactions? So they're able-- so if you were using the example of riding, giving someone a lesson to ride a horse, we can still-- we could still have taxation and regulation in terms of the transaction of selling and buying less-- horse riding lessons. This is just simply a means or a mecha-- mechanism of transmission, of transa-- of facilitating those transactions. And we're saying that we're going to put off bounds for now, that means of trends of-- of-- of facilitating those transactions. Is that fair?

**BLOOD:** That is fair. I would liken it to using your checkbook or a debit card.

**CRAWFORD:** So we don't allow municipalities or counties to regulate or tax checkbooks or credit cards. And this is a similar-- this is a

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similar type of technology. It's just a newer type of technology to facilitate transactions. Is that fair?

**BLOOD:** I think that's very clear and very fair.

**CRAWFORD:** And so, with that said--

**FOLEY:** One minute.

**CRAWFORD:** --and again, I believe that I'm comfortable with LB9, because I do believe it is a preemption that makes sense at this time for our state. And so it is one that I will support. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Crawford. Senator Wishart.

**WISHART:** Thank you, Mr. President. I rise in support of LB9, and I appreciate the discussion we've had today, because I have to say, I came into this discussion thinking I would be voting-- not voting, not having a good understanding of the bill. But since I've been listening to the discussion and also texting back and forth with some friends who know a lot more about this than I will ever know, I feel a lot more confident voting for it. Senator Pansing-- Patty Pansing Brooks mentioned the autonomous vehicle bill that I introduced and prioritized two years ago. To get that bill across the finish line, I literally had to do backflips while playing chess because it was such a new concept to a lot of the senators in this body. And it took a lot of high trust and a lot of really good debate to get to a point where this Legislature was willing to pass what is now the most contemporary autonomous vehicle legislation in the country. In fact, our state is being looked at by other states who want to pass really good free market legislation and is even being looked at at the federal-- as-- at the federal government level for model legislation. That bill passing, you know, it-- we've been talking today about the importance of putting Nebraska on the map, not only for young people, but just in general. We really need to be focusing on-- on how we market ourselves as a state across the country. That autonomous vehicle bill passing, it earned the Governor that year a national award. And since then, we have ranked much higher than we have in the past in terms of our innovative abilities in this state and policy. And that's due to that one bill passing. So I really applaud Senator Blood for bringing this. One of my friends who I was texting back and forth-- the best example he gave me of this bill is that take stock trading, for example. As

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states, we don't charge you a few cents per transaction; but if you make money off of that, you pay income tax. That's what we're talking about with-- with ledgers in this bill. And for those of you who are on the fence with this bill because you feel like you don't understand it enough, that's what General File is for. Remember, we have three opportunities to vote on this. If you need more time to understand what this bill does, give Senator Blood the grace of passing this on to Select File. Take time to talk with her, take time to talk with some experts in this field about this technology. And then you can make a decision on Select File, whether you want to move forward with this or not or on Final Reading whether you want to move forward with this or not. As a state, again, I really want to impress upon all of us that we do need to start moving towards the front forefront when we're working on policy and especially around technological innovation. I think that's an area as a state where we can really lean into and be successful and lead. So thank you, Senator Blood, for bringing this. I will be supporting it.

**FOLEY:** Thank you, Senator Wishart. Senator Hunt.

**HUNT:** Thank you, Mr. President. I yield my time to Senator Blood.

**FOLEY:** Senator Blood, you are recognized for five minutes.

**BLOOD:** Thank you, Senator Hunt. I appreciate that. I-- I just wanted to briefly touch down on-- on the discussion that Senators Moser and Hilgers had. We are indeed a Dillon's Rule state, which we learned as freshman senators in our training if we didn't learn that in civics in school. We-- we say who has the taxation authority and that's what we're doing in this bill. So to warp it into something else, it's pretty clear cut. We have the taxation authority. We're saying don't tax us. It's the same as when we say, tax us. It's not any different. So I'm trying to simplify that. And-- and I want to say this, and I mean this politely. Basically, the explanation of DLT that came from Wikipedia was the same as-- was in my introduction. So I-- I really hope that people actually listen to the description and then the handout that was handed out yesterday. But with that said, I actually want to read. I'm-- I'm getting flooded with e-mails and with text messages and I want to read this. I don't know who the-- who's the senator for Palmyra? This is from one of your constituents. You did answer his question when you said bad things happen when good legislation and policy isn't in place. Thank you, thank you, thank you for not basing legislation on what bad things have happened.

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Anticipation, vision, imagination of what could happen seems a much better approach to legislation. It's called prevention. I don't understand the state's conservatism on adopting technology. Farmers historically have been the earliest to adopt new technology, some of the earliest mass users of GPS for precision in spraying or fertilizing, for example, pick any area of agriculture that farmers have balked at. I'm quite-- I'm seeing quite a knowledge, philosophy, and culture gap develop whenever new technology is even mentioned on the floor, almost an attitude of resistance. It's clear in the lack of understanding across the gap. You provided perfectly simple answers. And I'm not saying this, I'm reading this note, guys. And their lack of reception must be because of the effort going into heel digging. It saddens-- it saddens me because I wonder how these people were-- No, I'm not gonna read that sentence, that's insulting. It's hardly new for the Legislature to work in an arena outside of its purview. There is no state property tax, but yet look how much time is spent discussing property tax. That's county level. Why the resistance of regulating a future federal issue? States are meant to be the laboratories-- laboratories of policy. We could be more like California and lead the way in developing policy and regulations, but to defer to the federal government because it's too complicated to grasp. We claim states' rights when it suits us, but forget it otherwise. And that was from Mr. Powers in Palmyra, for whoever is their senator. There's 49 of us in here. I can tell you that every time that I brought these bills forward, I got a heck of a lot more e-mails and phone calls, messages through Twitter because they're all techie, Twitter and Facebook. I had the lobbyists from Farm Bureau, Farmers Union, the hospitals. Everybody came out in support of this. But we are having a hard time getting our brains wrapped around this, and we're not going to maybe see if we can amend it in a way that everybody can come to terms on. And I find that puzzling. And I'm going to assume, since the comment's been made that that's not what General File is for, that there will not be a single senator in this room who says, you know what? Just vote it through and we'll fix it between now and Select. Because you're telling me that that's not a possibility for my bill. So I'm guessing that we don't want to do that for the rest of the session. We want to be consistent and fair to everybody. This is a good bill. This is a good bill that I worked really hard on.

**FOLEY:** One minute.

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**BLOOD:** And it's a bill that puts us in the forefront when it comes to how Nebraska looks. And I heard the words of the Senate-- the Governor this time and every time he speaks: let's grow Nebraska. Let's make it strong. Let's welcome new business. This was my answer to his plea. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Blood. Senator Blood, there's no one else in the queue. You are welcome to close on the advance of the bill.

**BLOOD:** You know, I don't really know what's been said that hasn't already been said because I see people keeping their heads down. That usually tells me that, especially ones who have talked amongst themselves, that they've already made their decision. And I'm sorry to hear that because I make myself available, so available to people when they have questions and concerns. And I am passionate about this bill. And yes, I picked an area that people have a hard time understanding, but that doesn't make it a bad bill. That means that we are forward-thinking and that I hear what young people have to say about our state. I hear what this industry wants and I see what the federal government has asked the states to do. We all have the ability to do the same research that I did, and I am passionate about research. And you know that when I talk about your bills. This is not a bad thing. We're not losing tax money. If anything, probably gain extra tax dollars because we're making transitions easier and we're going to have people that have higher paying jobs. And when people have higher paying jobs, they have more disposable income. And when people have more disposable income, they spend it in Nebraska if they live here. This is a good bill. Don't let your fear of technology or misinformation prevent you from voting yes. And if it's stuck in your craw and you want to have some time to talk to me, take that time. And if you want to change your vote in Select, I respect that. But I can tell the vast majority of people that are talking on this bill today in negative fashion have not once talked to me about this bill. And I find that disappointing. I represent the people of Nebraska, not my-- not-- it's not the district of Carol. This isn't something that I benefit from. This isn't something I will probably ever use, except maybe in ten years when we don't have the option of whether we get to use it or not. This is what I hear my constituents-- and you have to remember that I have a lot of techie constituents because I'm by Offutt Air Force Base and this is what the industry has told me. This is what young people have told me. And so we have to make laws for our constituents, not for our own personal likes and dislikes, our fears or lack of information. This is good legislation and legislation

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that's been done in other states. We are not reinventing the wheel. So why is it good in other states, but not Nebraska? I don't have the answer for that because I think it's good for Nebraska. And I guarantee when you walk out of here, if you talk to the Farm Bureau people, they're gonna tell you the same thing and the Farmers Union and Cargill and the hospital industry and the insurance industry. But, you know, they probably don't know better than people who can't get their head wrapped around this-- what this does. I just-- I find that puzzling. I respect whatever you vote. But I find it clear that not everybody listened to the introduction and that a lot of people came with their minds made up and they made up their minds on misinformation. So I would ask that we have a call of the house, please, and a record vote.

**FOLEY:** Thank you, Senator Blood. There's been a request to place the house under call. The question is, shall the house go under call? Those in favor vote aye, those opposed vote nay. Record, please.

**CLERK:** 18 [SIC] ayes, 1 nay, Mr. President, to place the house under call.

**FOLEY:** House is under call. All senators please return to your desks and check in. The house is under call. House is under call. All senators please return to the floor and check in. The house is under call. Senators DeBoer and Chambers, please return to the floor and check in. Senator Blood, we are lacking Senator Chambers at this point. We could proceed or wait, it's your call.

**BLOOD:** [INAUDIBLE]

**FOLEY:** Very good. All unexcused members are now present. The question before the body is the advance of LB9 to E&R Initial. There's been a request for a roll call vote in reverse order. Mr. Clerk.

**CLERK:** Senator Wishart.

**WISHART:** Yes.

**CLERK:** Voting yes. Senator Williams.

**WILLIAMS:** No.

**CLERK:** Voting no, Senator Wayne. Oops, excuse me, I'm in the wrong place. Senator Wishart, you said yes, didn't you? Thank you. Senator

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Hilgers, I'll take care of you when I get to you. Bear with me, OK?  
Senator Wishart, voting yes. Senator Williams.

**WILLIAMS:** No.

**CLERK:** Voting no, thank you. Senator Wayne. Senator Walz, voting yes.  
Senator Vargas.

**VARGAS:** Not voting.

**CLERK:** Not voting. Senator Stinner. Senator Slama.

**SLAMA:** No.

**CLERK:** Voting no. Senator Scheer.

**SCHEER:** No.

**CLERK:** Voting no. Senator Quick.

**QUICK:** Not voting.

**CLERK:** Not voting. Senator Pansing Brooks.

**PANSING BROOKS:** Yes.

**CLERK:** Voting yes. Senator Murman.

**MURMAN:** No.

**CLERK:** Voting no. Senator Moser.

**MOSER:** No.

**CLERK:** Voting no. Senator Morfeld.

**MORFELD:** Yes.

**CLERK:** Voting yes. Senator McDonnell.

**MCDONNELL:** Yes.

**CLERK:** Voting yes. Senator McCollister.

**MCCOLLISTER:** Not voting.

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**CLERK:** Not voting. Senator Lowe.

**LOWE:** No.

**CLERK:** Voting no. Senator Linehan.

**LINEHAN:** Not voting.

**CLERK:** Not voting. Senator Lindstrom.

**LINDSTROM:** No.

**CLERK:** Voting no. Senator Lathrop.

**LATHROP:** Not voting.

**CLERK:** Not voting. Senator La Grone.

**La GRONE:** Not voting.

**CLERK:** Not voting. Senator Kolterman.

**KOLTERMAN:** No.

**CLERK:** Voting no. Senator Kolowski. Senator Hunt.

**HUNT:** Yes.

**CLERK:** Voting yes. Senator Hughes.

**HUGHES:** No.

**CLERK:** Voting no. Senator Howard.

**HOWARD:** Yes.

**CLERK:** Voting yes. Senator Hilkemann. Senator Hilgers.

**HILGERS:** No.

**CLERK:** Voting no. Senator Matt Hansen.

**M. HANSEN:** Yes.

**CLERK:** Voting yes. Senator Ben Hansen. Senator Halloran.

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**HALLORAN:** No.

**CLERK:** Voting no. Senator Groene.

**GROENE:** Not voting.

**CLERK:** Not voting. Senator Gragert.

**GRAGERT:** No.

**CLERK:** Voting no. Senator Geist.

**GEIST:** Not voting.

**CLERK:** Not voting. Senator Friesen.

**FRIESEN:** Not voting.

**CLERK:** Not voting. Senator Erdman.

**ERDMAN:** No.

**CLERK:** Voting no. Senator Dorn.

**DORN:** No.

**CLERK:** Voting no. Senator DeBoer.

**DeBOER:** Yes.

**CLERK:** Voting yes. Senator Crawford.

**CRAWFORD:** Yes.

**CLERK:** Voting yes. Senator Clements.

**CLEMENTS:** No.

**CLERK:** Voting no. Senator Chambers.

**CHAMBERS:** Not voting.

**CLERK:** Not voting. Senator Cavanaugh.

**CAVANAUGH:** Yes.

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**CLERK:** Voting yes. Senator Briese.

**BRIESE:** Not voting.

**CLERK:** Not voting. Senator Brewer.

**BREWER:** No.

**CLERK:** Voting no. Senator Brandt.

**BRANDT:** Not voting.

**CLERK:** Not voting. Senator Bostelman. Senator Bolz.

**BOLZ:** Not voting.

**CLERK:** Not voting. Senator Blood.

**BLOOD:** Yes.

**CLERK:** Voting yes. Senator Arch. Senator Albrecht.

**ALBRECHT:** No.

**CLERK:** Voting no. Senator Vargas voting yes. 13 ayes, 17 nays on the motion to advance the bill, Mr. President.

**FOLEY:** LB9 does not advance. I raise the call. Items for the record, please.

**CLERK:** Thank you. Mr. President, hearing notices from the Health and Human Services Committee and Government and the Executive Board, all signed by their respective Chairs as well as Transportation. An amendment to be printed: Senator Vargas to LB310. Enrollment and Review reports LB30 and LB93 to Select File. New bills: LB1014, Senator Lindstrom. It's a bill for an act relating to insurance. It changes the Multiple Employer Welfare Arrangement Act as prescribed. LB1015 is by Senator Briese. Bill for an act relating to time. It provides for year-round daylight saving time. LB1016 is Senator Matt Hansen relating to labor. It changes the Nebraska Wage Payment and Collection Act and harmonizes provisions. LB1017 is Senator Geist. It's a bill for an act relating to appropriations. It appropriates funds to the Supreme Court for problem-solving courts. And LB1018 is Senator Vargas, a bill for an act relating to appropriations;

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appropriates funds for local public health departments as prescribed. That's all that I have, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Now proceed to the next bill.

**CLERK:** LB148, Senator Groene. It's a bill for an act relating to state and local government. It changes provisions relating to public hearings on proposed budget statements and notice of meetings of public bodies. Introduced on January 11 of last year. At that time referred to the Government Committee, advanced to General File. There are committee amendments, Mr. President.

**FOLEY:** Thank you, Mr. Clerk. Senator Groene, you're recognized to open on LB148.

**GROENE:** Thank you, Mr. President. The purpose of LB148 is to promote greater transparency of government bodies. I can sum up LB148's purpose better-- no better than a Lincoln Journal Star editorial said on January 11 concerning government transparency. It stated, "In recent years the trend had seemingly been to chip away at Nebraska's public records laws by adding exemptions for this or that. Open, transparent government is the best way for Nebraska to hold their public servants and elected officials accountable. After all, the inscription above the north door of the Nebraska State Capitol reads, The salvation of the state is watchfulness in the citizen." What this bill does-- first, this bill changes provisions, makes changes to provisions in the Nebraska Budget Act applicable to where those interlocal agreements access occupation-- let me start over. Where interlocal agreements by natural resource districts where those interlocal agreements access occupation taxes as funding. The bill adds those entities to the-- to the list of government entities that must hold budget hearings. For example, why I brought it by-- the public brought it to me. The Nebraska Cooperative Republican Platte Enhancement interlocal agreement in my district has a budget over \$8 million. The appointed representatives make-- from each NRD make independent decisions and are not held to the majority view of their NRD. Citizens in my districts have a right to know and comment on how their tax dollars are spent. This might be a start. I think a lot of interlocal agreements are spending a lot of money and we ought to start looking at some budget hearings for them. But this is a good start because this is special. This occupation tax is new and involves a lot of money. Second, there has been a trend for government entities to combine their budget hearings with regular scheduled hearings,

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monthly hearings and limit time for public comment. In order to ensure that the public is adequately informed on the-- of the budgets of public entities, LB148 requires a public hearing on a proposed budget statement to be separate from any regular scheduled meetings. It can be held on the same day, but it must be separate, and the time cannot be limited for public comment at the hearing. At the hearing a presentation of the proposed budget statement must be given. LB148 also provides that any member of the public who wishes to address the government body on the proposed budget statement must be given a reasonable amount of time to do so. AM421, the committee amendment which Senator Brewer will tell you about, clarifies that members of the public may address the governing body at the hearing. LB148 also modifies the Open Meetings Act on public notice requirements for public bodies. The governing bodies of all public political subdivisions of the state of Nebraska will be required to publish notice of their meetings in a newspaper of general circulation within their jurisdiction. If-- if available, notice must also be published on the newspaper's web site. Historically, newspapers is the method of giving notice. But recently, some public bodies started posting their meeting notices on their web sites only. Public bodies other than the governing body of the political subdivision may-- may designate the method of providing notice of meetings. However, all public bodies must record in their minutes the method and dates they have of notice provided. After hearing from the League of Municipalities about the concerns of the language and the city of Omaha, committee amendment-- the committee amended it with L-- with AM421. Both of those entities who were in opposition, I do have letters from then after this amendment is adopted from the committee, they have no problems with the bill. AM421 makes an exception for cities of the second class and villages, and these communities, there may be a newspaper publish with-- I'm going to leave this to Senator Brewer because it's in the amendment. And then if anybody has any questions, I will-- I will address the amendment. It's crucial for citizens to have notice of these meetings. Most entities makes an honest attempt to get the word out when they have meetings. We must make sure that notice is easily accessible to citizens and their ability to comment is not hindered. We all have expected to look at a local newspaper and see what the budget hearings and the hearings of the commit-- of the entities when they were. But if you read the statutes now, it's up to the public entity to decide how they do that notice. And there has been a trend with-- with the Internet to quit using newspapers, which many of us still read. And the entity's own web site is not that accessible. And

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most people don't go there to look when a meeting is going to happen. So this is just to make sure that we have transparency in meetings and know-- and the public knows when those meetings are. So thank you. And I need a green vote on LB148.

**SCHEER:** Thank you, Senator Groene. As the Clerk stated, there is an amendment from the committee. Senator Brewer, as Chairman of the committee, you're welcome to open.

**BREWER:** Thank you, Mr. President. AM421 to LB148. The Government Committee held a hearing on this bill on 6 February, 2019. Besides Senator Groene, there were six other testifiers on the bill. We did have concerns from several groups to include the League of Nebraska Municipalities, the school board, and the city of Omaha. After the hearing, Senator Groene and his staff did a lot of work to make changes to address these concerns. The amendment addresses a dozen different technical changes to the bill. With these changes, opponents of the bill have met and relieved their concerns in reference to the bill itself. Senator Groene's office has provided the committee with letters from the League and the city of Omaha confirming all of this. LB148 was advanced from the committee with AM421 on 5 March with no votes in opposition and 2 present, not voting. I urge you to vote green on AM421 and on LB148. Thank you, Mr. President.

**SCHEER:** Thank you, Senator Brewer. Going to the floor for discussion, Senator Linehan, you're recognized.

**LINEHAN:** Thank you. I just want to stand in support of this. I think anything we can do to make it more transparent about what's going on with taxes, especially property taxes, is very good. I noticed it this morning in the budget that the Governor handed out to all of us. One of the increases, and it's pretty significant increase, that we have to make this year and again next year is to come up with funding to make sure we're taking care of the property homestead exemption. So I think this year we have to come up with, and I sent my book down to my office so these numbers might not be exactly right, but it's almost a 5 percent increase in funding for the homestead exemption. And I think next year it's another 5 percent increase, which amounts to somewhere between \$4.5 million and \$5.5 million. So if we're going to pick up-- continue to pick up property taxes, which I understand why we do it, the homestead exemption is a very important pro-- program to keep retired people and disabled people in their homes. But when we're trying to keep state expenses below 3 percent and we're picking up the

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property tax bill that keeps growing by 5 and 6 percent, that's problematic. So, again, I support anything that we can do to make sure that Nebraskans are aware of what's going on with their property tax bill. Thank you.

**SCHEER:** Thank you, Senator Linehan. Senator Albrecht, you're recognized.

**ALBRECHT:** Thank you, Speaker Scheer. I, too, rise in favor of LB148 and the AM421. Again, property taxes in the state in Nebraska are a local issue. I believe that anyone who pays any type of a tax should have the ability to come forward and have their say. So I, too, am bringing a bill this year that says that-- that these entities shall take public comment. Not only do they have to know that they're having a meeting, they also have to know that they can be heard at those meetings. I don't know, we have, you know, hundreds of bills that we get to listen to the public and they get maybe three to five minutes, but we're hearing them. And for anyone who sits in an elected position with people paying taxes, they need to allow the public to be heard. How is the media to know or anyone to know that there's a problem if people can't come before them and talk about it? But if they have questions, we're encouraging people to go to their city council meetings and county board meetings and school board meetings and listen to what's going on and understand exactly why they're being taxed and for what. But they need to be heard and they need to know when these meetings are being heard. And I appreciate this bill being brought forward. Thank you.

**SCHEER:** Thank you, Senator Albrecht. Seeing no one wishing to speak further on the amendment, Senator Brewer, you're welcome to close on AM421. He waives closing. The question before us is adoption of AM421 to LB148. All those in favor please vote aye; all opposed vote nay. Have all voted that wish to? Please record.

**CLERK:** 31 ayes, 0 nays on adoption of committee amendments.

**SCHEER:** AM421 is adopted.

**CLERK:** Mr. President, Senator Wayne had FA33, but I have a note he wishes to withdraw.

**SCHEER:** Amendment is withdrawn.

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**CLERK:** I have nothing further on the bill.

**SCHEER:** Seeing no one in the file, Senator Groene, you are welcome to close on LB148.

**GROENE:** I will be short so we can get out of here. Hopefully, it just flies through. But this ties into what Senator Linehan and this body did with LB103 last year about-- the hearing on levies. This could all be combined to make sure that-- that we have a clear understanding that if you want to look in the paper and see when your city or your county is going to have a next meeting, and you know it's always posted on Wednesday, it'll be there. Thank you. And I encourage a green vote on LB148 as amended.

**SCHEER:** Thank you, Senator Groene. The question before us, advancement to E&R Initial of LB148. All those in favor please vote aye; all those opposed vote nay. Have you all voted that wish to? Have you all voted that wish to? Please record.

**CLERK:** 35 ayes, 0 nays on the advancement of the bill.

**SCHEER:** LB148 is advanced to E&R Initial. Mr. Clerk, next item.

**CLERK:** LB594 is by Senator Blood. It's a bill for an act relating to the Uniform Deceptive Trade Practices Act, defines a term, provides for deceptive trade practice relating to meat. The bill was introduced in January of last year, Mr. President; at that time referred to the Agriculture Committee. The bill was advanced to General File. There are Agriculture Committee amendments pending.

**SCHEER:** Thank you, Mr. Clerk. Senator Blood, you're welcome to open on LB594.

**BLOOD:** Thank you, Mr. Speaker. Fellow senators, friends all, hello again. I hope everybody actually listens to the introduction because I feel that the concerns that some people have-- that they'll actually have their questions answered. So when there's a lot of chatting and people not paying attention, you're going to maybe miss out on an opportunity to really know what this bill does. So I rise to bring forward LB594. And it took on a variety of different forms before the Ag Committee sent it to the floor. So the original concept behind all the drafts of this bill was LB14, which I withdrew early in the session. And the reason that I did that is because we've changed logistics on how we want to arrive at that concept and I'm going to

revisit those logistics shortly. So at its heart, LB594's goal has always been the same. Always. We want to make sure that when dealing with plant-based, insect-based, or lab-based food products the companies behind those products are not fooling consumers into thinking they are meat or include meat in their recipes. Originally I brought forward LB14, which was somewhat based on the meat labeling bill from Missouri. After doing some research and talking with stakeholders and others, I determined that it was likely going to be bringing threats of litigation from outside forces, costing our taxpayers unnecessary dollars when we could utilize existing infrastructure in the area of consumer protection in state statute. And frankly, that language was not what was best for consumers. So while working on this bill, I spoke with members of the Attorney General's office and we decided that LB594, alongside the committee amendment I requested to get to the heart of what I would want to do for the ag producers of the state as well as the consumers who'll be doing the shopping. The amendment strikes Section 1, taking out an attempt to define meat beyond what is already done in federal statute. It would also strike lines 15 through 17 on page 10 of LB594 and instead insert violates-- "violates any provision of the Nebraska Pure Food Act relating to the labeling, packing, packaging, or advertising of food." This language would still be added to the Uniform Deceptive Trade Practices Act. Now I understand that there might be some of you who are a bit disappointed that the language isn't stronger. But I think if you take a look at the broader picture, you'll see not only does this protect the number one industry in our state, but it also protects our grocers and food consumers here in Nebraska. This amendment would allow LB594 to cover any food product you're going to find on shelves and allow anyone who feels as though there is marketing or packaging that is deceptive to have another means of making their voice heard. I believe it's important to have a consumer-driven system in place for anyone who feels as though a company is attempting to convince them their product is something it is not. By referencing the Nebraska Pure Food Act, which is sections 81-2,283 to 284 and 285 and includes it in the Uniform Deceptive Trade Practices Act, we are allowing the reporting measures to go through the Ag Department to the county attorneys and, if it's deemed necessary, to the Attorney General's office. This was a direct request from the AG's office. The extra layers of protection, as well as the additional options that will be available to authorities when it comes to enforcement, is a good thing. There are now additional consumers that will be protected and the additional organizations are now going

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to be put on notice that they need to be cautious when it comes to being purposely deceitful or untruthful when they decide to package, advertise, or represent their products. Now I want to add that even if I had brought-- had not brought forward the amendment that shifts the focus of the bill, LB594 would be a great steps-- step forward towards protecting ag producers in the state that would be a great deal gentler than what we are seeing around the country and around the world. So before Missouri introduced its meat labeling bill that was recently challenged in court, France brought forward much more restrictive laws on meat labeling. I am not aiming to be the word police and go after products like tofu bird-- tofu burgers or soy milk. However, both were successfully outlawed by the new measure in France. Australia is taking a page from that book as well, as it's moving towards banning any plant-based products as meat while also going after things like soy milk, making sure that they are being called soy juice or something similar. Others in Europe have taken steps in this direction as well. Here in the United States, there are now more than 11 other states, not counting Missouri, that have some kind of meat labeling bill introduced or passed. Several of these are further-- are also even further in the process and implementing the laws. Most have language similar to LB594, though some are far more specific in what meat and how it is-- how it can be defined. But again, I want to say I don't want to be the meat police; and many of you are hearing from the people that are against this bill that that's exactly what we're trying to do. And I want to remind you guys, I'm vegetarian, by the way, for those of you that don't know that. And you always hear me say, I don't make laws for Carol, I make laws for the state of Nebraska. Here's a really good example. I bring this up to you because you have been hearing about how evil LB594 is. And I want to be sure that you realize that I went out of my way to put together a bill that took objections to what is already out there into account and tried to build legislation that we could get consensus on. Surely consumers who are militant about or not in favor of meat can see that consumer-driven protections to prevent false advertising benefits everybody. This issue is about truth in advertising and integrity and marketing. It isn't an us against them bill. And this issue and the one that they feel so strongly about it, I respect greatly. But if they're going to be against the bill, they need to be against the fact that I'm taking something away from them, which is what they're claiming. All I'm doing is creating consumer protection. I'm not saying you can't put the word-- you can't use the word meat. What we're saying is, don't be deceptive. Did everybody look at their

handouts that are on their desks from yesterday or today? There are clear examples of marketing where they are trying to tell people that it is something it is not. And if you're OK with that, I could understand why you wouldn't support this bill. But I can tell you, like I said in the hearing, that I got the idea of this bill in a health food store when two little old ladies were arguing about whether the package in their hand was meat or not. And I just had that happen again two weeks ago in Hy-vee because they put the-- the faux burgers in between all the turkey products, and the people were genuinely confused because it had the word "meat" in big letters on it. And so if they feel like they are purposely being deceived, why would we not allow them the opportunity to complain? We're not the meat police. We're not going after this industry, even though they claim that that's what we're doing. We're not going after vegetarians. To be really frank, this bill benefits them as well. Maybe in the future, somebody in the meat market will decide to say that their stuff is vegetarian. It's not any different. They can keep eating what they want to eat. You can keep eating your meat. This is about consumer protection. And to take this bill, especially when you read the amendment, and say that it is anything else is just not true. Does it protect Nebraska's number one industry? Yes. And guess what? That's my job as a senator. But guess what else it protects? The consumers that aren't savvy enough to try and figure out what this does. And yes, as Senator Lathrop told me, his constituents know what they're buying and good for them. But a lot of the senior citizens don't. And we have gotten just as many positive comments as we have abuse from the vegetarian and vegans in Nebraska. And quite frankly and very honestly, every single person who is willing to speak with me on this bill, every vegetarian, every vegan, when I explained what it really did, the vast majority of them apologized, said they were misinformed by people who were being very militant about this bill and said they took no issue with it. Again, they took no issue with this bill. So, again, I've shared several photos with you. I really ask that you look at them.

**SCHEER:** One minute.

**BLOOD:** You know, when an organization adds beet juice to a product to make it look like raw meat from livestock with the words "meat" across the front of the package, that they are not trying-- don't tell me that they're not trying to confuse our consumers or fool the consumers. Not everyone has the luxury of spending time reading each

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package. And for older consumers, this bill is a benefit. Thank you, Mr. Speaker.

**SCHEER:** Thank you, Senator Blood. As the Clerk noted, there is a committee amendment from the Agricultural Committee. Senator Halloran, as Chair of the Agriculture Committee, you're welcome to open on AM313.

**HALLORAN:** Thank you, Mr. Speaker, colleagues. The Agriculture Committee had its first time reading on LB594 January 23, 2019. On February 14, 2019, the committee took action on LB594 and approved a committee amendment, AM313. The committee amendment strikes the original Section 1 of the bill, removing the definition of meat proposed to be added to 87-301 of the Deceptive Trade Practices Act. As Senator Blood explained, the bill defined meat to mean the edible portion of livestock or poultry and expressly excludes plant-based, insect-based, or lab-grown food products. The amendment further replaces a new subsection 23 on page 10, proposed to be added to 87-302 of the Deceptive Trade, which would have specifically designated the labeling, advertising, and sales representation of insect-based, plant-based, or lab-grown food products as meat, a deceptive trade practice. The amendment instead provides that violations of the Pure Food Act relating to labeling and packing or packaging or advertising of food are simultaneously a deceptive trade practice. The Nebraska Pure Food Act is the primary body of state law regulating food establishments, establishing standards for facilities, sanitation, preparation, packaging, storage, and presentation of food items. Sections of the Pure Food Act expressly prohibit mislabeling, deceptive packaging, and false advertising. Additionally, the Pure Food Act incorporates model provisions of the Food Code, a publication of the FDA as food safety and identity standards. Sections of the Food Code reference and incorporate federal regulations of the FDA and the Food Safety Inspection Service pertaining to identity labeling of foods. Specifically 3-601.11 of the Food Code provides that packaging foods should comply with standards of identity requirements of 21 CFR 131-169. Essentially, the amendment attempts to avoid adopting inconsistent interpretations of misleading and misrepresentation of meat and other food products for purposes of the Deceptive Trade Practices Act with mis-- with mislabeling and deceptive packaging and false advertising, as that is currently interpreted and applied under the Pure Food Act and the referenced federal provisions. The

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Agriculture Committee advanced the bill with a vote of 6-2. I would-- I would move the adoption of the committee amendment.

**SCHEER:** Thank you, Senator Halloran. Returning to floor discussion, Senator Lathrop, you are recognized.

**LATHROP:** Thank you, Mr. President and colleagues. Good afternoon. I, as you know, or many of you know, I serve on the Agriculture Committee and I was one of those two votes in opposition to this bill. And I'd like to share, if I can, just a little bit of my concern so that you have some perspective. In the Pure Food Act, the director of the Department of Agriculture is charged with the responsibility for enforcing mislabeled food. We already have that authority with the director. And what Senator Blood did with her bill originally was try to redefine what meat is and what meat isn't. You can understand that's kind of what they're trying to do in Washington, D.C., right now. That was-- she's shaking her head and maybe I got this wrong. But-- but that was abandoned in favor of simply saying that the deceptive trade practices-- we're just gonna import this section into the Deceptive Trade Practice. What that means is that instead of just having the director of Department of Agriculture charged with the responsibility for enforcing that act, we're now going to move and allow for causes of action in the Deceptive Trade Practices Act. And if you read the Deceptive Trade Practices Act, it says that private individuals can now bring a cause of action for each mislabeled item. They don't have to show any damages. And if they win-- and by the way, it's a preponderance of the evidence, more likely than not-- if they win, they get attorney fees. OK, so imagine if you're ConAgra or one of these companies that put out these products, you're-- you're dealing with 50 states to start with. And each one of these packages could create a private cause of action in an individual who, if they are successful, then get attorney fees. It's really not the way to do this, in my judgment. If we have a problem with a manufacturer putting a product on the shelf that is mislabeled, misleading, under the Nebraska Pure Food Act, the director of Department of Agriculture can come in and enforce it and stop them from doing it. So is it better to do this one package at a time with citizens bringing a lawsuit against the-- the food processing plant or whoever puts these packages into the stores? Or should we address it holistically or broadly and say, wait a minute, you're calling this soy product "chicken legs," which is in the handout that you saw. And it-- it does-- that particular one does look misleading, but it's not because we don't have a way to enforce it right now. That's the director of Department of

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Agriculture's responsibility and turning it over to citizen lawsuits where they don't have to show damages, they can just sue and collect attorney fees because they don't even have to show that they've suffered any kind of a loss. So I think the better approach is to leave it with the director of Department of Agriculture. And for that reason, I oppose the bill, not because I don't appreciate the work that Senator Blood has put into it. And God knows, I wish I wasn't doing it today, not two days or two bills in a row, practically. But I-- but I'd also feel like it's our job as senators to stand up when we see a problem, and I do. The director of Department of Agriculture still retains the authority to address mislabeled, misleading labels on packages that are found in the grocery store. And I think that's a better approach rather than the Deceptive Trade Practices Act. My thoughts.

**SCHEER:** One minute.

**LATHROP:** I'm going to be opposed to the amendment and the bill. Thank you.

**SCHEER:** Thank you, Senator Lathrop. Mr. Clerk for a motion.

**ASSISTANT CLERK:** Mr. President, a priority motion. Senator Brewer would move to recommit the bill to committee.

**SCHEER:** Senator Brewer, you are welcome to enter-- introduce AM-- your motion to recommit.

**BREWER:** Thank you, Mr. President. The comments by Senator Lathrop I think are accurate and correct here. We have a situation where the federal government has not yet set the standard. The coordination and contact I have with cattlemen has not indicated that they're willing to rush ahead of that. So I guess right now, again, we are trying to rush this issue without having all of the information as far as what the federal government is going to do ahead of what we're trying to do at a state level. Now I appreciate the fact that we have urban senators that are interested in managing ag issues for those of us that evidently haven't managed them. But I think we have the cart ahead of the horse on this one and would ask that you support this being recommitted to the Ag Committee. Thank you, Mr. President.

**SCHEER:** Thank you, Senator Brewer. Senator Albrecht, you're recognized.

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**ALBRECHT:** Thank you, Speaker Scheer. Before this motion to recommit, I thought my light was on and certainly wanted to echo what Senator Lathrop had to say, because it is my understanding that the Ag Department gets the complaint and if it's-- needs to be cease and desist, then they take it. And if it-- the folks don't do that, then it goes to the AG's department, the Attorney General. So I would stand in favor of the recommit to committee, hoping that at a federal level they figure this out because this is something that is in one sector right now, but it could certainly go to others. And-- but I think we're doing a good job right now. If it's in state statute, I don't know that it needs to be changed at this point. So I would probably say yes to the recommit to committee. And if that doesn't pass, I would be no on LB594 and AM313. Thank you.

**SCHEER:** Thank you, Senator Albrecht. Waiting in the queue, Senator Lowe, Blood, and Dorn. Senator Lowe, you are recognized.

**LOWE:** Thank you, Mr. Speaker. For those of you that know me, know that I'd much rather have meat than potatoes or vegetables, especially vegetables and salad. But I started to think of my father and when we used to crack open a coconut. We always referred to that white section in the coconut as the coconut meat. And Senator Blood, thank you for bringing this bill to bring back good memories. And so I thought, well, would this take effect of that. I thought-- I thought, does anybody even call that coconut meat anymore? So I looked online and sure enough, there were products that were sold as coconut meat. Now, what happens when a grocery store gets that in? It's plant-based. They can't call it that anymore. Well, if this product is made, not in our state but from some other state, they can't sell it here. And what is the grocer supposed to do when they get a request for this? They can't sell it here. So they have to find some other product that just says coconut [RECORDER MALFUNCTION] nuts. The soft portion that we eat on the inside is called the meat. Now I'm not one for liking mislabeled packages. I like to know what I'm eating. I will not eat an Impossible Whopper burger because I really like meat, but I like to know what I'm eating. So if I know I'm eating a-- a nut, I know I'm eating the meat out of a nut or the meat off of a pig or a cow or a chicken or a turkey, with luck, a pheasant. So I appreciate, Senator Blood, what you're doing, trying to distinguish whether we're eating insects or vegetables that are disguised as meat. But I think this is not the right way, and I appreciate Senator Lathrop and his words. Let's do this. Let's do it federally so that we can kind of go across the board

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so that our grocers don't have to be wary of everything that they order. Thank you.

**FOLEY:** Thank you, Senator Lowe. Senator Blood, you are recognized.

**BLOOD:** Thank you, Mr. President. Fellow senators, I respectfully disagree with my friend, Senator Lathrop. I want you to know that the Attorney General's office is the one that helped us craft this language. And they felt that this was the best way to address this issue. Again, we have experts in place at the state level whose job it is to tell us how to handle things like this. And Senator Lowe, will you please read the amendment, because it doesn't talk at all about what things are called. So I encourage you to take this opportunity to do so. And I stand strongly against the recommit to committee. Senator Brewer said that no cattlemen had reached out to him. But, gosh, cattlemen were in that hearing. And there was six other meat-related people, organizations that all spoke in favor of this bill. And they spoke on behalf of cattlemen, independent cattlemen, pork, I believe chicken. They believe in this bill. So to recommit it to committee and say we're going to do this because we want to see what federal government does-- with all due respect, what has the federal government da-- do-- done on this bill, on this topic? Nothing. What is the federal government getting done at all nowadays? It's funny because we talk a lot about state control until you don't like a bill, right? So state, federal. This is our backyard. And to say that the cattlemen don't particularly care or support this bill-- oh, I don't know what they've been doing in the Rotunda then for the last two days talking in favor of this bill, unless something behind my back was to go ahead and recommit it. But that's not what's being told to my face. And the thing, the lesson that I learned today, guys, there are a lot of people in this room that told me they supported this bill, and LB9 by the way, that you supported this bill. Now all of a sudden you're changing your minds. So what I've learned today is that individuals are only as good as their words. If you've told me that you support this bill and now you no longer support it, I'm puzzled because it hasn't changed since the day I talked to you about it. And if you're saying now you want to wait to see what the federal government wants to do, I wonder, is this a partisan issue? Is it because I'm the wrong party to maybe present a bill like this? Because that's what I'm hearing in the-- in the whispers in the hallways. I don't bring bills for me. I bring bills for Nebraskans. I found middle ground. Federal government's gonna have a hard time finding that middle ground because they're gonna be trying to define what meat is and is not. And they've

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been struggling with that for years. But we have an opportunity to protect the number one industry in Nebraska. We got the language from the Attorney General's office. If you can look at those pictures and tell me they're not being deceptive, fine. But I would disagree with you, because when the word chicken is across something, people think that's chicken. And not all consumers are savvy. And I choose to protect Nebraska's number one industry, whether I eat it or not. And I choose to protect our consumers because not everybody is as savvy as we are. And they don't necessarily flip it over and see what the content is. But mostly I ask you to not vote for this recommit to committee and to remember, for those of you that told me you supported this bill, it is--

**FOLEY:** One minute.

**BLOOD:** --it is-- I'm trying to think of a polite word. It says a lot about your character when you didn't have the guts to come up and tell me about it, but instead we're playing these kind of shenanigans on the floor. Be a person of your word. If you said you're going to support it, support it. For those of you who told me you didn't, I respect you. But be men and women of your word. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Blood. Senator Dorn.

**DORN:** Thank you, Mr. President, colleagues. I would like to ask Senator Lathrop a question if he would entertain a question.

**FOLEY:** Senator Lathrop, would you yield, please?

**LATHROP:** Yes, I will.

**DORN:** I guess I'm looking for a little bit more clarification on the Department of Ag overseeing this or how they enforce this. Do-- does someone need to bring a request or a complaint or what is that process?

**LATHROP:** I think it's a matter of making a complaint. To be honest with you, I-- I'm not sure. I know that when we had the hearing, the Attorney General's office sent a Deputy Attorney General over. And I had questions for the Deputy Attorney General, which was, how is this enforced right now? It's enforced through the director of Department of Agriculture and all we're doing-- we're not even getting rid of the-- the responsibility for the director of the Department of

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Agriculture. That remains. We're just adding a new way to enforce it, which I think, personally-- I believe to be not a workable approach to getting at these manufacturers or these processors that are putting vegan-type things in our market.

**DORN:** Well, I ask the question because I guess I'm at a quandary of why maybe we haven't heard something about it, I guess, or maybe why. You know, I fully intend to follow up and ask the Department of Agriculture, has there ever been any complaints, or do we have any or where that direction has gone, or if something is happening there or not? Because the handout that Senator Blood han-- handed out or look-- when you sit there and look at that, to me that's not accurate labeling or whatever. When it says it's chicken and it looks like chicken, but yet it's not and somewhere in the corner, they have the word in small print. And as I have become a little bit more of a senior citizen and we don't always pick up on all this stuff, some of that is a concern. I guess as a person involved in not only agriculture but in any product that-- is it labeled fairly? I know for years or especially several years ago there was a lot of concern nationally, also locally, about accurate labeling on the back. I think we require accurate labeling as far as what's put in there. So somewhere on the label that is there, it's just-- sometimes it's a challenge for some people or maybe more of a not really wanting to look or definitely looking at it. You see the first word out there. You see that right there, that focus. Mentally you get the picture that that's what it is and that's what people accept. I do support the fact that we are trying to do something to make sure that the labeling is accurate on there. Some of these problems, or I call it issues that we have today that milk, meat, whatever out there, it's not an accurate label of what it is. Unless you as a citizen take the time to learn or make sure that you are fully aware of what that label says, a lot of us are under the assumption that it is something else or it's something that it's actually not. Thank you.

**FOLEY:** Thank you, Senator Dorn. Senator Brewer.

**BREWER:** Thank you, Mr. President. All right. Well, let's clear a few things up since we want to talk about shenanigans. I need to direct some questions to Senator Blood.

**FOLEY:** Senator Blood, would you yield, please?

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**BLOOD:** Yes.

**BREWER:** Who brought this bill to you?

**BLOOD:** Senator Carol bread-- brought-- Blood brought this bill, actually, and the cattlemen and the pork producers and the chicken people were thrilled and came and saw me after I brought the first bill forward.

**BREWER:** And it's upon a senator from your district to take on the responsibilities of addressing this issue?

**BLOOD:** I represent Nebraska. I represent our farmland in Clay County and the farm that I grew up on. So to try and create the urban-rural divide won't work this time.

**BREWER:** Uh-huh. And how much of the time did you spend talking to Erdman, myself, Hughes, people that actually have the cattle producers?

**BLOOD:** I talked to the Independent Cattlemen. I talked to Nebraska Women in Economics [SIC], Nebraska Beef Producers, Ag Leaders Working Group, Independent Cattlemen, Nebraska Poultry Industries, Nebraska Farmers Union. And yes, I went from senator to senator and talked about this bill. Senator Brandt, I know I spoke with. Senator Dorn, I know I spoke with. Senator Murman, I know I spoke with. And to be really frank, I can't remember because this was last year, but I did speak with the people who I knew were farmers on the floor.

**BREWER:** All right. That's all the questions I have for you. The issue here is that there is a federal effort right now. The issue is not whether or not there is deceptive labeling. I think we all agree on that. The process used is one issue. Whether someone's doing this, or if others are using someone to get what they want and not focusing the folks that ought to be focused on it, is another issue we need to look at. But if you take Senator Fischer-- and I got it up right here-- has introduced Real MEAT Act to end deceptive labeling on meat products. They're moving forward with it. Again, we're trying to get the cart above the-- cart before the horse on this one. I've asked that they pass around on-- I think everyone got the resolution that I am going to forward and this then passes forward to the federal government, Nebraska's feelings on this issue, helps them to form the legislation that they develop, and then we can build legis-- legislation around that. I will look forward for opportunities for all those individuals

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who decided that Carol Blood-- Senator Blood would be a better candidate to help with meat legislation than some of us who are in pure rural districts with livestock. But again, this is not the time for this bill. We have to get this set up right. It's not an issue or-- are we going to follow the federal government or not? We need to let them set the framework and then we can do what we need to do here. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Brewer. Senator Halloran. Senator Halloran.

**HALLORAN:** Thank you, Mr. President. There is no question that this is a serious issue that covers everything from consumers to producers, right? And at some-- some point, food is-- is something that isn't just agriculture. It is something that-- that-- that we're all focused on as being important, that the consumer is not misrepresented, and that the livestock industry is not misrepresented. We had a similar issue with dairy a year ago, dealing with a labeling issue. Soy milk, this kind of use of the term "milk" for other products. And that was dealt with with a resolution at that time. The Pure Food Act is a derivative of federal regulations, of FDA and USDA regulations on food codes. So if-- if the-- if Congress acts on this, when they act on this, whatever we do now is going to be regulated or delegated down from Congress on whatever they define meat as. So I think it's-- I think it might be wise to look at it as a resolution. As Senator Brewer said, Senator Fischer is working on this. And I understand the wheels of Congress work slow. I understand that. You know me well enough with the Convention of States that I'm not altogether happy with the federal government from time to time. Some people don't want to deal with Convention of States. Some people don't want to deal with the states having more authority than-- than-- than they have now. But that's the way it is. Federal Food Code is something that we don't make up on our own. The Pure Food Act is a derivative of FDA and USDA regs, so I would say it would be worth considering giving strong consideration to making this in the form of a resolution so we don't put the cart in front of the horse. Thank you.

**FOLEY:** Thank you, Senator Halloran. Senator Brandt.

**BRANDT:** Thank you, Mr. President. I'd like to thank Senator Blood for bringing this bill. As most of you know, I am a farmer. I raise cattle. I raise hogs. Starting Friday, Saturday and Sunday and Monday, I will get up every morning and walk through all those cattle and whatever hogs we've got there. And I've done that my whole life. And

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hopefully I can continue to do that. As most of you also know, I'm probably the only one in here that spent eight years in a meat packing plant-- turkey, hogs, cattle, and a lot of that was in middle management. I know a little bit about labeling and such. When I worked in turkeys, they were just coming out with, like, turkey hot dogs. And that was a big fight. And we call things steak. And does ham belong to just a hog, or can we call other things ham? You know, turkey was-- was trying to grab that. And now we've evolved into basically, plant-based proteins. You know, soybeans. You can make them into the Impossible Burger. And there's a lot of claims there. This-- this truth in labeling has been going on a very long time where somebody tries to pirate somebody else's name. So when you go in a grocery store and the big label, like Senator Blood showed on these examples, will say "chicken legs" and in real little print it might say, "made out of plants" or something of that nature. This is-- this is critical to the economy of the state of Nebraska, and it's critical to me as a livestock producer and to the people watching today. I mean, this is a very, very important subject. I can tell you from my background in-- in the packing industry, there is a tremendous amount of time spent on labeling and accuracy. And we're-- cross-species, is what it used to be. But now we're crossing plants and insects and a lot of things. So if-- if we're going to do this in-- and I'm a little confused today because now we've gone to the Attorney General and they want this-- this pure food. To be honest, I'm a little lost, and I'm probably going to vote for the recommit to the committee to make sure this is done right. And-- but I do support-- support the efforts to get this done. And I appreciate the civility with which everybody's acted today. Thank you.

**FOLEY:** Thank you, Senator Brandt. Senator Slama.

**SLAMA:** Thank you, Mr. President. And again, good afternoon, colleagues. I will be very brief in my turn on the mike and then yield the rest of my time to Senator Brewer. I wanted to make it clear I voted this bill out of committee prior to federal action beginning towards fixing this issue. And that's why I now rise in support of the recommit to committee motion, because I think Senator Fischer has done an outstanding job of championing this issue on the federal level. And that's where this issue needs to be taken care of before we address this on the state level. So I wanted to clarify and thank Senator Blood for her work on this bill and also clarify that my vote out of committee was before the wheels on the federal level started turning.

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So with that, I'd yield the rest my time to Senator Brewer if he'll take it.

**FOLEY:** Thank you, Senator Slama. Senator Brewer, four minutes.

**BREWER:** Thank you, Mr. President. All right. Just to go back and backtrack a little bit. The resolution is being drafted. You've got a copy of the tentative resolution in front of you. And as soon as it gets back, I will drop that. We'll have a hearing in the Ag Committee and we can debate it right here. We then provide that guidance and support from Nebraska to our congressional representatives. And that seems to be the correct path to flow with this. It's not that I don't appreciate the help on the issue, because I think that there is issues with labeling. And it is not that it's not a problem. My issue right now is just how we're going about this. There's few in this body, though, don't take on challenges that are unique to their district. And I think that there is a natural tendency to be a little miffed when you have an issue that's probably pure and true to your district, and yet you find out about it late and you're not able to help shape that. And so with that, thank you, Mr. President.

**FOLEY:** Thank you, Senator Brewer. Senator Blood.

**BLOOD:** Thank you, Mr. President. So I have to answer a couple of things that are stuck in my craw. I am against the recommit. I am, of course, in favor of both the amendment and my bill. First of all, to be questioned that an industry shouldn't support a senator that doesn't partake in that industry is not appropriate. I know that Senator Brewer had a wind bill and I-- last I knew, he doesn't really know a whole lot about wind energy, but I never stood there and said, you know, Senator, I don't want you to carry this bill. I know that you have them in your backyard, but you don't know anything about the industry. I just-- we can't start doing that to each other on the mike. It is inappropriate. And here's my personal opinion on-- on-- what do we call these? I'm sorry, I'm drawing a blank. Proc-- proclamations. This is fluff. This isn't action. I don't do a lot of proclamations unless a basketball team wins a game or it's National Something Something Day. This doesn't do anything. These are just words that go into recycling when we're done with them. It doesn't change a thing. To say that I can't bring forward a bill and that supposedly senators didn't know about it, the AP picked up my bill. It was in 12 different periodicals, including ones that are printed out west for the ranchers and the farmers. So if you read current news,

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which I assume everybody in this room does, because that's part of our job, or you listen to rural radio, or Nebraska whatever that news service is-- I think Flood owns that-- they all picked it up. This was not a hidden secret. We did a press release to let people know we were doing it because I wanted to hear from western Nebraska. I'm not responsible for who reads newspapers, who-- who doesn't read newspapers, who doesn't listen to radio, who doesn't watch TV, whose staff didn't bring it to them. I'm responsible for creating policy and I can create policy for other parts of the state because I represent all of Nebraska. We all vote yes on veterans' issues, although if you look at the LRO report, some of you have like 1 or 2 percent of your population are veterans, but you don't think twice about voting on those bills. I don't appreciate being told that I don't have the right to bring this bill forward. And I don't appreciate people assuming that I have no knowledge of this industry. And to say that this industry didn't know anything about it-- from the Farm Bureau to the Farmers Union to the Pork Producers to the Cattlemen, they were behind this. What I hear you say-- you guys saying now is that this is Senator Fischer's baby. Let's see what she can do with it. And let's recommit it to committee. I can stand here and start listing a lot of bills that have passed since I've been here that were literally within 30 days passed at a higher level. From Senator Halloran's bill in reference to robocalls to Senator Hilkemann's bill in reference to the right to choose what medication when you're dying. But they were good bills and they are good senators who are trying to do the right thing. So this seems really political and partisan to me. And if it is, shame on you. And you can stand here and say that it isn't. But I'm hearing otherwise. I love Nebraska. I love Nebraska's number one-- number one industry. I believe in middle ground. I worked hard--

**FOLEY:** One minute.

**BLOOD:** --to find the middle ground on this bill. Shame on you. For every person in this room that told me they supported this bill-- I had the list on my desk and we'll have long conversations. I did this bill for the right reasons. To recommit it, which is actually-- whoever said that, it's going to go back to committee so we can mull it over and do better, Senator Brandt, it's to kill the bill. And to think otherwise is wrong. It's OK if you don't like the bills that I bring forward, but don't challenge what I bring because you think that it doesn't belong to me. Nebraska belongs to me. Nebraska belongs to you. I would be thrilled if Senator Brewer brought a women's rights bill forward. If he came and talked about our vaginas, our breasts,

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because he wanted to show that he embraced women and their right to their own bodies, I wouldn't judge him.

**FOLEY:** That's time, Senator. Thank you, Senator Blood. Senator Chambers.

**CHAMBERS:** Mr. President, members of the Legislature, there are numerous battles going on here today on many fronts. The first thing I will say is that anybody has a right to bring a bill on any subject he or she pleases. If I want to bring a bill that says they have women on Mars who are red and men on Venus who are blue, I can offer the bill. Then y'all do what you want to with it. I have senators, people bring me bills because they say the senator will not ask it, will not introduce it. Sometimes they can't get past the senator's staff. So that is a nonissue as far as I'm concerned. The bill is one that I don't like. I spoke against it in committee. I think it degrades the intelligence of people. There are two areas where you can tell lies. That's in politics and advertising. Look at where Nebraska Furniture Mart says, don't pay any interest for certain amount of time. Then they got a block of small print that is bigger than the wording on-- read that and see what happens to you if certain things occur. I wish that issues were flypaper and politicians were flies, then they would stick to the issues. I don't think that anybody's deceived when they go into a store and see some of these labels. I've seen criticisms by meat producers against other meat producers. We do not inject water into our ham. We don't do this. And they tell the public what others of their kind are doing. Anybody who goes and purchases something on the basis of a commercial is a fool, and when you find a fool you bump his head. And as Barnum said, there's a sucker born every minute. And they have ad people, those who write ads whose job it is to frame an idea so that it is deceptive without being an outright lie, but you put the best possible face on what you're selling. Who in here believes and takes at face value what you read that a seller says about his or her product? Whether it's Honest John or Honest Josephine, once they put "Honest" on it, that gives them away right there. But if they tell the truth and say "Dishonest John", you say, well, at least this guy tells the truth. But because he's dishonest, I'm not going to buy anything from him. So they look at the general, low level of intellection in this country, and it's not for the Legislature to protect everybody from their own foolishness. And for you all who are encouraging Senator-- what's that lady's name from Nebraska who is a senator?

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**BLOOD:** Fischer.

**CHAMBERS:** Who?

**BLOOD:** Fischer.

**CHAMBERS:** Oh, Senator-- Senator Fischer. You all are going to encourage her, with all the big issues facing this country, to take as her number one priority making them label something "not meat" if it's not meat. You don't require any things of these five white people you got. And that's why I condemn you and say white. You have the opportunity to send the best that you've got. And if those three in the House and two in the Senate are the best that all of your white education can produce, it ought to be shut down. And then you all stand here and praise them for that. You praise them for being ignorant. Who has felt leadership on any issue by anybody who has ever been from Nebraska, other than a man who embarrassed you all in the Monkey Trial? And at last you took away some of the embarrassment by taking his statue out of Washington, D.C. And some people wanted to--

**FOLEY:** One minute.

**CHAMBERS:** --put it by a creek out there where nobody would see it. And then others said, no, we want him here in Lincoln. Do you know who I'm talking about? Who am I talking about?

**CLEMENTS:** William Jennings Bryan.

**CHAMBERS:** See? William Jennings Bryan. I didn't call his name. I described him and people knew who he is. You know why I'm raising my voice? Because I want you to think that I'm caught up in this, just like you all are. When you're dealing with your children you read a story and you say, and the wolf knocked on the door and he said, little pig, little pig, let me come in. And the little pig says, not by the hair of my chinny, chin, chin. Well, you assume those voices to engage the child's mind. But it's neither a wolf nor a pig speaking. And wolves don't speak that way. And pigs don't speak that way. But if I come up here and I raise my voice, you all listen. You say, something must be going on. Now, I don't understand what he's talking about. And if I did, I probably wouldn't agree with him. But I want to at least--

**FOLEY:** That's time, Senator.

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**CHAMBERS:** --hear some of it.

**FOLEY:** That's time.

**CHAMBERS:** I think this is much ado about-- Did you say time?

**FOLEY:** Yes.

**CHAMBERS:** Thank you. I'm sorry I went over.

**FOLEY:** Thank you, Senator Chambers. Senator Murman.

**MURMAN:** Thank you, Mr. Lieutenant Governor. I also want to thank Senator Blood for bringing this issue before us. Like has been voiced several times here on the floor, I think it's a very important issue, and I think it's important that we're discussing it here. I brought the deceptive labeling dairy products resolution last year, and I would have loved to made that a bill last year, and I would have loved to had that enforced on the state level here in Nebraska last year. But I did realize that this is a federal issue. The USDA and the FDA are-- it's their responsibility to enforce this labeling issue. And that's the reason I brought that forward as the resolution. If we did-- if we were able to do this on the state level, you know, groceries, food is distributed all over the country. It's-- there is a lot of mislabeled foods, as Senator Blood showed us with her handout. And it just wouldn't work to stop those foods from being distributed in Nebraska only. It's got to be done on a federal level. And I am disappointed that this deceptive labeling law on both the dairy and the meat side-- by the way, dairy ends up as meat eventually. It-- I'm disappointed it hasn't been enforced on the federal level. But I think there is, you know, with the Senate, our U.S. Senator Fischer's new bill this year, there's-- there is that-- a new hope for enforcement there. I did work with Mid-American Dairymen, Dairy Farmers of America, the State Dairy Association, the Dairy Industry Development Board all through the last 30 years to try and change this labeling issue. I think we're-- yeah, I hate to say it, it's been 30 years, but I think we're a lot closer to getting that done now on the federal level than we've ever been. I just want to reiterate that that's the reason I brought it as a resolution last year, and I think this issue with meat should be dealt with in-- in the same way. And again, thank Senator Blood for bringing this to us. And thanks a lot to Lieutenant Governor.

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**FOLEY:** Thank you, Senator Murman. Senator Blood, you are recognized, your third opportunity.

**BLOOD:** Thank you, Mr. President. I still stand opposed to the recommit. First, I want to thank Senator Chambers. And the reason I want to thank Senator Chambers is because he came out and manned up and said he opposed my bill. He talked about the bill. He didn't make it personal. He didn't say I had the right or didn't have the right to bring a bill forward. He just doesn't like the bill. And he told me that from the very beginning, by the way, as did Senator Lathrop. And I can respect that. I don't have to agree with it, but I respect that. I know in my heart, based on the last three years, that there will be more bills that we think are going to be taken care of in-- at the federal level. And I-- I thank Senator Fischer for bringing the bill forward. But I'm curious, how long has Senator Fischer been in office and why is this just now being done? And how many bills have been passed this year that pertain to this topic, or in the last 10 years? So I don't have high hopes and that has nothing to do with who she is as a person. It just has to do with the fact that wheels don't turn quickly at the federal level. And that's why Convention of States keeps beating our doors. But I don't necessarily think that's the answer either, by the way, because we have a constitution. If we would just follow the constitution and be good citizens and vote people out when we don't like what they do, the country would work a lot better. But what I think is interesting is that Senator Murman to-- er-- yeah, Murman [LAUGH] took the path of least resistance-- I don't have my glasses on-- took the path of least resistance and did a proclamation. And I supported that proclamation. But again, proclamations are just words and they don't change anything. They don't change anything. It didn't change how things are labeled, did it? It didn't. I believe in holding people accountable. And I understand that Senator Chambers doesn't think we should be babysitting people that he feels are not necessarily intelligent enough to read their labels. But I saw it with my own eyes multiple times, and they were older consumers. And that's where I got the idea for the bill. Nobody brought it to me. And it's not because I live in that part of the state. It's because I saw a problem. And if you look at my bills, that's mostly what they are, right? I see a problem. I want to fix that problem because that's how my brain works. And that's why policy makes me giddy. Did I know that this was going to be a hard bill? I did, but I was enthusiastic because some of the senators that are now standing here that are supporting this recommit told me they supported this bill, too. And

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not a single one of them, not one has come to talk to me face to face to say why they changed their mind. Oh, they've said it on the mike, but not to me. And to be frank, that's not how we do business in the Legislature. Maybe it's changed and I missed that memo. But we all used to put on our big boy pants and say, I changed my mind. I can't support this any longer. I don't think there's a single one of you in here that can say that I told you I would or would not support a bill and changed my mind later unless I came and spoke with you. Raise your hand. It's not how we do business. If you don't like the bill, I get it. I don't understand why you're expecting the federal government to take care of an issue that they've had ample time to take care of. Recommitting to committee is not so we can sit on the bill and make it better. It kills the bill. I'm going to accept whatever fate happens. It's been a long day. I know you want to go home. I want to go home and put on my pajamas. I love y'all, but I've had enough. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Blood. Senator Chambers.

**CHAMBERS:** Let there be light. And there was light. Mine is-- did you notice the light? This room lightened when my name was called. When you call on the one who-- whose is the power and the glory, unfortunately, not forever, it just seems that way when I'm talking. I'm going to say some things now that I feel I must say on occasions like this. I respect this legislation-- Legislature as an institution. I don't respect what goes on here and the way people conduct themselves. But I know that in this system of government, nationally and at the state level, there are three branches. They're supposed to be coequal in power, but that's not true. And the way they're framed makes it not true. The courts have the final say--so on what the law means. So the court is above the Legislature, but the Legislature controls the purse strings and can cut off the court's money and it can't function at all. On the other hand, the executive enforces the law and may choose not to. And if the court calls the Legis-- the Attorney General or the president to task, and will say, I'm ordering you to carry out this law. And whichever one the court says it to, will look at the court and say, as a person who was in the executive branch once did say to the U.S. Supreme Court-- John-- I'm not gonna tell you who it was. But anyway the Supreme Court Justice made his decision. Now let him enforce it. There is not coequality among these branches and between them. Those are things said to children because children don't understand and they believe what adults tell them. But when you are a member of a Legislature, in theory, if not in practice,

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it is the branch that represents the people as people. This is the branch that truly has paramountcy in my view. This is the only place where what Lincoln said could have some modicum of validity: of, by, and for the people. The people are the starting point. They are the ending point. Other things in between are means to an end. A means is the methodology by which you get from point A to point B. And it is not as important as either point A or point B; but without it, there'll be no connecting between those two important elements. You all will talk about the Second Amendment so you not only can have guns in your house, you want to be able to carry them on your person. Well, if you want to have guns to protect your literal house, why will you not use your mind, your will, and your intellectual strength and integrity, if you have any, to protect this house where we work for the people? You want guns to protect your home but you do nothing to protect this house. The Governor walks on you. The Governor spits on you. The Governor has you like puppets jumping up and clapping like happened this morning. You play like you respect him. You stand up when he comes in. You stand up when he goes out. And when he says, lay down, you lay down. He says, I'm gonna tell you where Ernie's correct. And you say, well, Governor, where is he correct?

**FOLEY:** One minute.

**CHAMBERS:** He can tell the brand of shoe polish I use by smelling your breath because you lick my shoes. That's what the Governor feels about you. And that's why he goes on television and dictates what is going to be done by this Legislature. And it's why nobody respects it. But you ought to respect it. Contrary to what you may think, I respect this as an institution more than any of you all. And that's why I spend the time and work as hard as I do to try to get you all to do the right thing, which I know you're capable of doing. But I don't have that ability to draw that out of you. Thank you, Mr. President.

**FOLEY:** Thank you, Senator Chambers. Items for the record, please.

**CLERK:** Mr. President, new bills. LB1019 is by Senator Vargas. It's a bill for an act relating to appropriations. It appropriates funds for federally qualified health centers. LB1020 is by Senator Vargas. It's a bill for an act relating to the Fair Housing Act. It defines a term and changes provisions relating to discrimination. LB1021, is Senator Groene, a bill for an act relating to cities and villages. Provides for an expedited review of certain redevelopment plans under the Community Development Law. Hearing notice from Business and Labor.

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And name add: Senator Linehan to LB903; Wayne, LB924; Hunt, LB934. Mr. President, Senator Walz would move to adjourn the body until Thursday morning at 9:00 a.m.

**FOLEY:** Members, you heard the motion to adjourn. Those in favor say aye. Those opposed say nay. We are adjourned.